

FBIS

DAILY REPORT

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RADICAL PARTY LEADER RICARDO BALBIN DIES

PY091151 Buenos Aires TELAM in Spanish 1115 GMT 9 Sep 81

[Text] La Plata, 9 Sep (TELAM)--Radical Party leader Ricardo Balbin died a few minutes after 0800 [1100 GMT] in this city's Ipena Clinic where he had been confined since last 23 August, Dr Carlos di Rago, head of the clinic reported.

Balbin, who was 77 years old, suffered from a severe kidney problem, which in the last few hours had caused complications in all his vital functions. This caused the death of the reknowned man of national politics.

President Sends Condolences

PY091924 Buenos Aires Domestic Service in Spanish 1600 GMT 9 Sep 81

[Text] In view of the event known by the public, President Roberto Eduardo Viola sent a message of condolence today to Mrs (Dalia Foncetti de Balbin), bringing out the virtues of the deceased leader of the Radicals. The president also sent another letter of condolence to Carlos Contin, vice president of the Radical Civic Union, saying that the government fully shares in the sorrow over the passing away of a respected citizen who served the high ideals of the nation.

INTERIOR MINISTER ON SECURITY, DETAINEES

PY092215 Buenos Aires HERALD in English 9 Sep 81 p 11

[Text] [no dateline received] (NA)--"The security conditions the nation has achieved must be maintained and cannot be jeopardized or endangered," said Interior Minister Horacio Liendo in an interview carried by the latest issue of LA SEMANA magazine.

He added that "regarding the case of arrested people still pending, we must think that in our country, independently of the personal or human problem each of them represents, it is not a serious subject, if we take into account that it is the final consequence of a war with ample repercussions."

Liendo confirmed that there still are 844 persons under arrest at the disposal of the executive branch.

Asked about the state of siege, he said it is "one of the topics of this residual aspect of the fight against subversion."

The minister also said he could not give an answer about a possible agreement between politicians and the military to pick a future president. He added that he was "vaccinated against the politics bug," saying: "I am not a politician and, although I deeply respect political action, I have not planned to be one."

The National Opinion Movement (MON), Liendo said, is not a political party, but an "expression of all active sectors in the country that can get together to (ensure) the process succeeds." Regarding the eventual dialogue with the Justicialists, the minister said "there is no room for excluding a political force, even if it ruled and was later toppled. There also are other political forces that have been toppled on other occasions, and they are not excluded because of that."

CHILEAN DAILY INTERVIEWS GEN WALDO BERNAL

PY100281 Santiago Chile LA TERCERA DE LA HORA in Spanish 16 Aug 81 p 27

[15 August exclusive interview by LA TERCERA DE LA HORA special correspondents Patricia Guerra and Samuel Mena with Bolivian junta member and Air Force Commander Waldo Bernal Pereira in Quemado Palace in La Paz]

[Excerpts] The situation is absolutely tranquil in La Paz. The governmental changes do not seem to have affected the civilians, who continue with their daily lives without great analyses of the political situation.

The interview took place at noon. Together with General Bernal--who acted as the spokesman since he has held his position the longest among the three officers, according to his press secretary--was Rear Adm Oscar Pammo, the commander of the naval force.

Despite warnings that there was only a little time and that the general could put an end to the conversation at any time, the officer seemed serene and friendly. He answered all our questions deliberately and even smiled when we were leaving.

Upon being asked if the junta was contemplating any changes in the policy toward Chile, he said:

"We leave the initiative to the Chilean Government in this respect. When there is any definite indication of there being an opening in respect to the Bolivian maritime problem concerning the return to the sea, which is what should justly be given, we will be very talkative. The initiative--he repeated--lies with the Government of Chile."

With respect to the length of time which the junta will remain in power, he gave no specific period.

[Bernal] The junta assumed power as a historical responsibility. We wish to accomplish our objective; and our objective, our fundamental objective, is to seek the unity of the Bolivians, to seek institutional unification, which is practically a reality. For this we are seeking to rely on adequate organisms, adequate systems in order to accomplish, when we have the conditions to do so, the institutionalization and democratization of the country.

One must study the electoral law and the political parties law in order to avoid the errors which occurred in the past and which are the reason why the armed forces have had to take over command of the nation.

To our knowledge, it was not the politicians who previously failed. We believe that all of the men who held office were men of good will who sought for the Bolivians' well-being. What has failed was the system, and that is what we must try to change; and when we have the conditions, we will do so. I cannot tell you when, because that depends on the work to be done, from the government's point of view, and the receptivity of the Bolivian people.

Question: It has been charged that this government is not just the continuation of the previous one, that basically there are no changes. [as published]

[Answer] Yes, we have heard that a number of times. But you have been able to observe on the scene. The junta of Commanders has taken over the government with full responsibility, with full autonomy and only through the mandate of the institution [presumably the armed forces]. We have carried out a restructuring of the Cabinet. It is not a totally new cabinet, because a total change could not be made; but it certainly has its own physiognomy, which the junta wants to give it.

Question: Bolivia has been characterized by constant changes of government. To what do you attribute this?

[Answer] It is obvious that there are a great number of governmental changes here, but I think that it is because of the desire of all Bolivians to try to find solutions to the problems. It is not, evidently, a suitable way, but these governmental changes are not for solutions or problems as deep as those in other countries. You know perfectly well that in other countries there is a tremendous polarization among groups of the same people, and other countries go as far as civil war. This happens seldom, but they are very serious. In contrast, here we have the opportunity to find a solution suitable to our problems.

Question: What will be the government's position concerning political exiles, among others some former presidents?

[Answer] Political activity is not widely authorized in this country, so that insofar as any citizen acts on this level, the government will have to take steps.

Question: But, will the exiles be able to return?

[Answer] Within what is established at the Interior Ministry, they will have to submit a petition so that the situation of each one can be analyzed case by case.

Question: How are relations with other countries?

[Answer] We understand that they are normal, because, in accordance with what the Bolivian foreign minister has stated, this is a government within the armed forces. It is not a matter of a coup d'etat nor a radical change, but a continuation of the armed forces process.

Question: How will the government deal with the cocaine-trafficking problem?

[Answer] The cocaine traffic has been organized in Bolivia for dozens of years. Since consumers exist in other countries, they are the ones who encourage the production of cocaine in Bolivia. Since the armed forces assumed power last year, we have intensified the antinarcotics traffic struggle; but in the same way--or better to say, at the same time--the consumption of drugs has intensified in other countries, in the consumer countries. Much has been said that recently production has been increased, but we must make an analysis of whether production increased in relation to demand. If the demand is greater, obviously production grows. We are working intensely to struggle against the narcotics traffic. We are planning to use yet more forces. Ideally, what we are seeking is substitution for coca cultivation, because obviously as long as coca exists there will be the desire of the consumers to seek the product. In such way, the final objective is to achieve total substitution for the cultivation of coca. How is this to be done? Obviously, we need a lot of economic means because there are a lot of people who live off the cultivation of coca, and to immediately cut production would cause social problems. Thus, it is necessary to seek a substitute for the cultivation of coca. Normally, in the regions where coca is cultivated, these substitutes can be coffee or cocoa; but starting from when the substitution is undertaken, it takes about 4 years to begin to produce. These are 4 years in which they would be without any type of production. It is in this sense that we must have the economic capacity to take care of their needs.

OFFICERS' REINSTATEMENT, NEW COMMANDER CONSIDERED

PY091711 Buenos Aires LATIN in Spanish 0006 GMT 9 Sep 81

[Excerpts] La Paz, 8 Sep (LATIN-REUTER)--Bolivian President Celso Torrelío Villa is studying the appointment of the new commander in chief of the army and the request for reinstatement submitted by the officers who participated in uprisings against Gen Luis García Meza.

A group of dismissed officers, headed by Lt Col Emilio Lanza, today met with Torrelío. The officers asked Torrelío for reinstatement and also expressed their hope that his appointment as president will resolve the country's problems.

Army headquarters sources have indicated that Torrelío Villa is meeting with the high-ranking commanding officers of this branch to discuss the appointment of the new commander in chief, a post which has been left vacant by Torrelío Villa's appointment as president of the nation.

News media circles have been speculating about the possibility that Gen Mariscal, current army chief of staff, will be promoted to army commander in chief, but no decision has been made in this regard.

General Torrelío Villa will also have to implement measures capable of reestablishing the unity of the armed forces based on discipline and respect for hierarchic order, as he said yesterday when taking the oath of his Cabinet.

Col Lanza Supports Torrelío

PY091708 Paris AFP in Spanish 0018 GMT 9 Sep 81

[Text] La Paz, 8 Sep (AFP)--Lt Col Emilio Lanza Armaza said here today that it could not be said that Gen Celso Torrelío Villa's administration is a mere extension of Gen Luis García Meza's regime.

Lanza Armaza, who headed two rebellions against García Meza on 11 and 25 May this year, made these remarks shortly before holding a meeting with Bolivian President Celso Torrelío Villa, whom he asked to reinstate him in the army along with the other 14 officers and commanders who had supported Lanza during the uprisings.

Lanza, former commander of the Special Troops Training Center (CITE), had termed the first speech of General Torrelío Villa positive because he promised to curb drug trafficking, rule hand-in-hand with the law and seek the unity of all Bolivians.

PRESIDENT TORRELIO REDUCES CURFEW TO 4 HOURS

PY100059 Buenos Aires LATIN in Spanish 2114 GMT 9 Sep 81

[Text] La Paz, 9 Sep (LATIN-REUTER)--It was announced officially that the Bolivian Government today decided to reduce the curfew time to 4 hours (0100 to 0500 local time).

Jaime Humerez Seleme, Ministry of Press and Information, today announced that the decision was made by President Gen Celso Torrelío Villa together with the Council of Ministers.

The curfew was implemented on 17 July 1980 by Gen Luis García Meza's government. At first it lasted from 2000 to 0700. Later on it was reduced to 6 hours and then to 5 hours.

Humerez said that the measure adopted by the government coincides with the climate of tranquillity throughout the country and the development of the socioeconomic and political process of the country.

GOVERNMENT TAKES MEASURES TO REVIVE ECONOMY

PY081517 La Paz PRESENCIA in Spanish 27 Aug 81 pp 1, 17

[Text] The government has initiated an economic reactivation process for the country and yesterday approved four decrees through which it plans to reduce public expenditures; readjust the budget and sets new maximums for income and expenditures; regulates the amount by which assets must exceed liabilities in the banking system; and cancels interests and fines on rent taxes.

The intention of the government "to repair the Bolivian economy" was announced yesterday in a press conference by the minister of finance, Col Javier Alcoreza Melgarejo; and the minister of planning and coordination, Eng Adolfo Linares.

It was reported that the approval of the above administrative-financial measures would serve as the basis for the introduction of other measures "of a structural nature which will be adopted in the future." Total elimination of subsidies was announced based on a study by the government economic team.

The finance minister reiterated that "no measures will be taken which would affect the majority of citizens" and that "there will be no devaluation," but a restructuring of the customs tariffs will be carried out and a profound readjustment of the state enterprises--in addition to stimulating exports and reordering the import structure toward spheres of major importance.

He announced that "for the moment, the control of foreign exchange will not be lifted, but the sale of foreign exchange will be made flexible in order to energize the national economy through industry, mining, food, medicines, and others which have to use imported raw materials and inputs."

The reduction in public expenditures will be carried out through the prohibition of increases in salaries or any other remuneration for functionaries of the public sector; the prohibition on hiring new personnel or the renewing of the contracts of temporary personnel; the total elimination of prizes, bonuses and payments for extraordinary services--nor the modification of payrolls and the reduction "to the bare minimum" of the natural growth of the Ministries of National Defense; Interior, Migration and Justice; Education and Culture; and public health and social security;

It is also intended to reduce to the minimum the consular service and the foreign relations service based on a study to be presented in 30 days; to prohibit the creation of new [government] entities and of trips by public officials both internal and abroad; and also to prohibit the acquisition of real estate and other expenditures considered "nonessential."

The use of official vehicles is regulated and it is determined that these will only be used by high officials of the public sector. The national banking system is instructed to periodically present to the Finance Ministry the current accounts of public organs, in order to strictly control their expenditures.

The above-mentioned dispositions go into effect starting 1 September until 31 December and "will serve as the basis for the financial law for 1982."

Minister Alcoreza Melgarejo also referred to the behavior of the economic indicators and termed the situation as "the noticeable contraction in the general functioning of the economy" aggravated by the deterioration in the external sector, the constant falling of the level of monetary reserves, the noticeable shrinkage of money in circulation, lack of liquidity, excessive public expenditures, and deficient administration of the public enterprises "which determine a critical situation to which is added rising prices which affect salaries and a lowering of the living standards."

"It is necessary to see the reality of the state sector of our economy regularize our public enterprises and control their financing and investment, since the fiscal and monetary measures will be useless if we do not mend the disarray in the main basis of our economic functioning," he said.

He affirmed that the restructuring of the general customs directorate would permit a reduction in contraband and an increase in revenues. A deficit of 3,717 million Bolivian pesos is foreseen in income and expenditures until next December, "which will be covered through the administrative policy to be carried out."

Alcoreza Melgarejo reported that it was hoped to arrive at an agreement with the International Monetary Fund (IMF) which would permit the acquisition of foreign aid and an influx of capital from private banks. He announced that a "standby" agreement had already been signed with the IMF, "a part of which, for 63-million special drawing rights will be signed during the visit of the IMF mission to this country."

He affirmed that the contracted foreign debt up to June 1981 had reached \$3,665 million of which \$2,311 million have been disbursed, and that the obligations for amortization and interest until October amount to \$53 million.

He reported that, as of 10 August, the reserves amount to \$141 million, among which there were \$33 million in gold, calculated at \$42.22 per troy ounce. [as published]

The minister of planning and coordination, Eng Adolfo Linares, explained that the economic model in force in this country is not adequate at this time because it has not been changed since 1952. "We want to seek an adequate model which will reflect the necessities of the country," he said.

He indicated that the measures adopted mean the beginning of a process destined to generate a flow of foreign exchange. "It is necessary to save, to repair the national economy," he added. He also said that it is necessary to give a major participation to the private sector, in order to change the mixed economy currently in force, in which the public sector predominates.

ECONOMY DECLINES DURING APRIL-JUNE QUARTER

PY062343 La Paz PRESENCIA in Spanish 23 Aug 81 p 1

[Text] The Bolivian economy continued its recessive tendency during the second quarter of 1981 as it had in January-March, according to tentative statistics for the period April-June compiled by the national accounts department of the technical division of the Central Bank of Bolivia.

The country's economic activity decreased by approximately 6 percent in terms of production, sales and personnel employment, according to the results of that report.

With the exception of the petroleum and mining extraction sector, other activities decreased in volume of production and sales. The main causes for this decline were the shrinking of demand and the critical financial situation of the production units.

The previous behavior had consequences for the level of employment, which showed a relative decrease equal to that of the first quarter, when the decrease was 3 percent.

"If this rate of unemployment continues, greater problems can be expected in the future, since internal demand will shrink even more," the study asserts.

An analysis of the production and sales in the second quarter of this year permits one to see that this sector fell by a greater proportion in its volume and experienced an increase in stocks, above all in finished products.

In the analysis of the tentative statistics in the cited report, it is explained that the forecasts for April 1981 were relatively consistent with the moderate behavior of internal prices.

The prices of industrial and imported goods only varied 5 percent with respect to the January-March period, according to the Wholesale Price Index, while the index for construction materials did not surpass that percentage.

Price Index

In the second quarter of this year, moderate increases were registered. The Wholesale Price Index increased by 3.6 percent, industrial goods by 5.4 percent, imported goods by 5.1 percent, domestic construction materials by 3.1 percent.

However, demand was not favorable for that situation since the earnings suffered a decline in buying power, an aspect that has prevailed for the past three quarters.

In reference to the behavior of the industrial manufactures, import trade, construction and mining sectors, the manufacturing industry was the one that suffered the greatest from the depressive wave. Production and sales volumes fell by about 15 percent, and thus 56 percent of the installed capacity was being used, compared to 61 percent in the previous quarter.

Petroleum activity was the only sector to develop in normal conditions. That sector notably recovered its production, above all in natural gas. Since the prices were favorable, it recovered its sales turnover, which will allow it to solve its financial problems to a certain degree, according to the analysis by the Central Bank.

The mining sector remains in a critical economic situation because the mineral prices are not favorable. On the average, the quotations fell by 2 percent, and the enterprises had to increase their production in order to compensate for the fall in prices.

BRIEFS

NEW OIL WELL--La Paz, 14 Jul (TELAM)--The Espino 4 oil well, located in the Espino Oilfield 1,000 km east of La Paz, began production yesterday. It produces 450 barrels of light petroleum and 7 million cubic feet of natural gas per day. The natural gas from this well is destined to be exported to Argentina through a pipeline which will be constructed. [Buenos Aires TELAM in Spanish 2250 GMT 14 Jul 81 PY]

HYDROCARBON EXPORTS--La Paz, 15 Jul (AFP)--Hydrocarbon exports during the first 5 months of 1981 earned \$105 million, a 42-percent increase over the same period in 1980. During that period, 3.2 million barrels of petroleum and 67.7 billion cubic feet of natural gas were produced. [Paris AFP in Spanish 1458 GMT 15 Jul 81 PY]

SEMIANNUAL TIN PRODUCTION--La Paz, 17 Jul (AFP)--The Bolivian National Smelting Enterprise (ENAF) has announced that 8,918 metric tons of refined tin were produced in the first 6 months of 1981, 16 percent more than the previous 6 months. ENAF plans to produce 20,300 tons of refined tin in 1981. It was also revealed that 2,500 tons of antimony were produced in that period, surpassing the previous 6 months by 40 percent. [Paris AFP in Spanish 2131 GMT 17 Jul 81 PY]

TIN LOSSES--La Paz, 28 Jul (AFP)--Bolivian Foreign Minister Mario Rolon Anaya has claimed that Bolivia has recently lost \$125 million due to U.S. sales of its strategic tin reserves on the world market. [Excerpt] [Paris AFP in Spanish 1517 GMT 28 Jul 81 PY]

PRESIDENT PINOCHET EXTENDS STATE OF EMERGENCY

PY041520 Santiago Chile Domestic Service in Spanish 1100 GMT 4 Sep 81

[Excerpt] President Augusto Pinochet said yesterday that the state of emergency will be extended for another 90-day period.

GOVERNMENT MONITORS FRENCH POLYNESIA ATOMIC TESTS

PY070029 Paris AFP in Spanish 2252 GMT 17 Aug 81

[Text] Santiago, Chile, 17 Aug (AFP)--Chile is maintaining an alert and using a network of seven stations to measure any increase in radiation caused by the French nuclear explosions in Polynesia, it was reported here today in Santiago.

France repeated its atomic experiments this month on Mururoa Atoll and announced new tests, reviving the unrest in the South American countries with Pacific Ocean coasts, it was said.

It recalled that Chile and Peru headed the diplomatic protests and international negotiations in the first years of the 1970's, asking for the suspension of those experiments.

Those first French tests in Polynesia determined the erection of the warning network along the whole length of Chile's territory in order to forecast atmospheric radiation increases which could harm the country's population, said Eugenio Guzman, an investigator of the University of Chile.

The wind systems of the South Pacific push the radioactive clouds to the American continent, and then hit the Andes Mountain Range and drop their rain and snow, bringing the contamination to earth within 3 to 30 days, the professor explained.

In 1971, after the explosions conducted by France, higher radioactivity was observed in the milk and water in the southern Chilean regions upon completion of the chain of consequences in the rains, the waterways, the pastures and the animals which supply food for humans.

The measurements carried out by the Chilean scientists showed greater increases from the north to the south of the country and represent increases of 20 to 60 times in the levels of strontium 89 and strontium 90 in milk.

The cities of Temuco and Puerto Montt figure among those most affected by the increase in radioactivity, says a report of the period analyzed by the Chilean professor, for whom this fact is of particular importance to children, who have a greater sensitivity to developing leukemia, it was demonstrated.

In the opinion of Professor Gustavo Hoecker, also of the University of Chile, the risk of genetic damage for the Chilean population due to the French explosions on Mururoa have been reduced to the possibility of one or two mutations, perhaps without major consequences.

As reference data, in the world population of 4.5 billion inhabitants, the possibilities of mutation by ionized radiation emanating from a nuclear explosion would cause between 200,000 to 400,000 cases.

But it is immoral, with respect to Chile, for a nation to be submitted to a gratuitous danger by virtue of experiments which do not benefit it in any way, Hoecker said.

GOVERNMENT CONDEMNS FRENCH-MEXICAN RECOGNITION

PY021849 Santiago Chile Domestic Service in Spanish 1730 GMT 2 Sep 81

[Emilio Roa Relayed report from the Foreign Ministry through mobile unit]

[Text] It was reported a few minutes ago at the Foreign Ministry that the Chilean Government adheres to the Venezuelan-Colombian joint declaration in which they severely condemn France and Mexico for recognizing the Salvadoran insurgents and their political allies as participating elements in achieving a political solution to the Central American problem.

The Chilean Foreign Ministry released a document a few minutes ago, which states:

1. The Chilean Government fully agrees with the content of the declaration presented by the Venezuelan and Colombian Foreign Ministries in this regard, an issue previously consulted and made public through the international press.
2. It also shares the concern and surprise expressed by the Venezuelan-Colombian Governments and by others in view of the act of intervention in domestic affairs of El Salvador represented by the Franco-Mexican joint declaration, which constitutes an unacceptable recognition and legalization of armed subversion and which violates the basic principles of international law.

The Foreign Ministry declaration also states that the Chilean Government ratifies its support to the efforts being made by the people and civilian and military democratic leaders of El Salvador to achieve peace and social justice in the country in accordance with its absolute right to self-determination.

BRIEFS

NEW ARGENTINE AMBASSADOR--Jose Montes, the new Argentine ambassador to Chile, has presented his credentials to President Augusto Pinochet. [Santiago Chile Domestic Service in Spanish 1730 GMT 3 Sep 81 PY]

ECONOMIC STATISTICAL FIGURES--National Statistics Institute Director Sergio Chaparro has reported that the CPI [consumer price index] for August amounted to 1.2 percent and that the indexes for food, housing, clothing and others accounted for .2 percent, .5 percent, .0 percent and .5 percent respectively of the CPI figure. He also explained that the inflation rate reached 7.4 percent this year, which is a considerably lower rate than the one registered last year between January and August, which amounted to 19.3 percent. He said that unemployment reached 8.4 percent in the June-August quarter, as compared with 12.5 percent for the same 1980 period and that the number of jobless decreased by 47,800 persons. He also reported that house building grew by 56.5 percent in the first half of 1981 and that the construction of 30,000 new houses had been started this year, thus registering a 68.6-percent increase with respect to the first half of 1980. Finally, he said that workers' salaries have grown by an average 7.7 percent during the last 12 months, in addition to the CPI. [Santiago Chile Domestic Service in Spanish 1100 GMT 3 Sep 81 PY]

BORDER INCIDENTS WITH VENEZUELA REPORTED

Venezuelan Guardsman Incursion

PA052156 Bogota Radio Cadena Nacional in Spanish 1730 GMT 5 Sep 81

[By Mario Castro Campino]

[Text] Villavicencio--A total of 40 Colombians who live in (Raudal Pato), a border town near Inirida port, were arrested by Venezuelan national guardsmen, according to fragmented reports. In open violation of the nation's sovereignty, the Venezuelan guardsmen penetrated Colombian territory to arrest the 40 peasants. The situation in Guainias is tense as a result of the serious clashes between the Venezuelan guardsmen and the Colombian peasants who live in the Guainias border zone. Communications with that zone are very poor, Colombian authorities indicated. They added that a military commission will go to Guainias to investigate.

In another incident, a Colombian policeman wounded by Venezuelan guardsmen was identified as Jose Campo Elias Martinez, who was taken first to Port Ayacucho and then sent to the army hospital in Caracas for treatment. The Colombian policeman was traveling in a small river boat from San Felipe to (Abalape), where he had been transferred, but in [Cano Guarrito], in Venezuelan territory, an area one must travel through to get to (Abalape), he was intercepted by a Venezuelan guardsmen patrol, who opened fire on him and five other civilians in the boat, among them a 9-year-old boy identified as (Fernando Reyes), who was also wounded. It has also been reported that two other persons in the boat, who have not been identified, jumped into the river and are still missing.

The police command in district 6 of Inirida port and Carreno port has contacted the Venezuelan consul in Carreno port for more information, inasmuch as the Venezuelan military post authorities could not be reached because the border has been closed, Col Jose Hugo Tirado Castaneda, the eastern plains zone police chief, reported.

Another Incident Reported

PA072206 Paris AFP in Spanish 1957 GMT 7 Sep 81

[Text] Bogota, 7 Sep (AFP)--Another incident broke out on the Colombian-Venezuelan border today near Inirida port, capital of Guainias administrative division, eastern Colombia, it was reported in Bogota.

According to Emisoras Caracol Network, "a (Venezuelan) Judicial Technical Police (PTJ) lieutenant and other uniformed officials raised the Venezuelan flag on Colombian territory and lowered the Colombian flag."

This is the second incident in the same region. Last Thursday a PTJ patrol fired on a Colombian police rifleman, Jose Campo Elias Martinez, seriously wounding him. This incident is being investigated by Colombian Deputy Foreign Minister Julio Londono Paredes, who went to the site to personally determine the facts of the incident, in which five [as received] Colombian civilians were arrested by Venezuelan authorities and whose whereabouts are not known.

According to Caracol Network, "the police informed the station that the Venezuelan policemen crossed the Guatacabe stream, on the border between the two countries, and staged the incident which will be investigated by the Colombian Foreign Ministry in the next few hours. Its report will be submitted to President Julio Cesar Turbay Ayala."

Meanwhile, the Colombian Foreign Ministry said today that it has no knowledge of the second incident and that Colonel Londono Paredes is now in the area investigating last Thursday's incident.

Incident Investigated

PA090451 Bogota Cadena Radial Super in Spanish 2330 GMT 8 Sep 81

[Text] In an effort to determine the real causes of the shameful incident promoted by the Judicial Technical Police [PTJ] at the Colombia-Venezuelan border near Inirida port, commissions from the two countries are investigating the truth at the scene of the incident.

Colombian Foreign Minister Carlos Lemos Simmonds emphasized the fact that the two foreign ministries had mobilized high-ranking officials to determine the truth. This shows the two governments' desire to maintain normal relations.

He said that relations between Colombia and Venezuela are normal and have not been affected in any way. He added that the Colombian Government allowed Venezuelan Air Force helicopters to search the area where a Venezuelan light plane crashed and to aid the victims.

LEMONS SIMMONDS ON BORDER DISPUTE WITH VENEZUELA

PA091712 Paris AFP in Spanish 1535 GMT 8 Sep 81

[Text] Bogota, 8 Sep (AFP)--Colombian Foreign Minister Carlos Lemos Simmonds has condemned those individuals in Colombia and Venezuela who wish to see both countries "arm to the teeth and show them" in order to resolve their dispute over marine and submarine areas.

According to Lemos Simmonds, the presence of "superpatriots" in both Colombia and Venezuela is dangerous. We asked both the rulers and those ruled, to be cool-headed and not let themselves be influenced by the "virus of war."

According to him, political leaders in Colombia have not viewed the problem of the dispute over these areas--which has been directly negotiated with the Venezuelan Government for about 15 years--as a reason for confrontation, and he hoped that the situation will not change in the future.

Lemos Simmonds indicated that both Colombia and Venezuela "have proceeded with extraordinary intelligence" in handling the dispute. He explained that "they have not allowed the conflict to hinder their relations, which are very good."

The minister denied the charges made here that the Colombian Government "has been weak" in its dealings with Venezuela. He declared that the effort to achieve a peaceful solution to the dispute cannot be weakness. He also recalled that "we have many things in common with that country."

Lemos Simmonds added that Colombia and Venezuela must "prevent groups of superpatriots, who are individuals of the most dangerous political type, from becoming the determining elements in the foreign and domestic policies of both nations."

"If we treat superpatriots the way they should be treated, that is, not allowing them to infect us with their paranoia, we think we can reach an equitable agreement on the dispute without altering our relations," he said in conclusion.

LEMONS SIMMONDS CRITICIZES FRENCH-MEXICAN ACTION

PA030440 Paris AFP in Spanish 0224 GMT 3 Sep 81

[Text] Bogota, 2 Sep (AFP)--The Colombian Government has accused France and Mexico of seeking to impose in Latin America a new form of interventionism in the domestic affairs of other countries.

Colombian Foreign Minister Carlos Lemos Simmonds made this charge in a statement to the RCN Radio Network in Brasilia and broadcast in Bogota. At the same time he criticized the French-Mexican declaration recognizing the Salvadoran guerrillas.

Lemos Simmonds stated that within the global framework of international policy, "it is not prudent or advisable to recognize subversive groups in countries that are facing domestic conflicts."

"It involves a serious matter, not only in countries facing the threat of subversion, but in other nations seeking to keep extremes away," Lemo Simmonds stated.

The foreign minister emphasized that in addition to Colombia, Venezuela and Argentina, other Latin American countries who are "allergic" to interventionism, supported the declaration of protest and rejection of the French-Mexican decisions.

He also criticized the decision of France and Mexico to recognize the guerrilla forces of El Salvador. He said that "this was a case of excessive good will." Lemos Simmonds considered that the formal protest will not cause relations with France and Mexico to deteriorate. These countries have traditionally been enemies of interventionism in the domestic affairs of other nations.

According to Lemos Simmonds, the socialist government of Francois Mitterrand has an erroneous view of its relations with Latin America.

ARMY CAPTURES M-19 GROUP THAT ATTACKED ECUADOR

PA041841 Quito Cadena Ecuador Radio in Spanish 2300 GMT 3 Sep 81

[Text] Bogota--The [Colombian] Army captured six guerrillas charged with having attacked an Ecuadorean border post and having killed two soldiers, the Defense Ministry said today. The group of five men and a woman of the 19 April Movement [M-19], after the attack on an Ecuadorean military post on 23 August, returned to Colombian territory, official reports stated. The six were arraigned before military courts. The Defense Ministry communique said that operations will continue along the border area in order to control subversive groups disrupting peace in that region.

Local newspapers speculated that the M-19 attack was a reprisal against the Ecuadorean Army, which in March returned 48 Colombian guerrillas who had crossed the border after an abortive military invasion of the Colombian southwest.

The Foreign Ministry said today that safe conduct had been granted to leftist leader Ruben Carbajalino, who received political asylum at the Mexican Embassy. Carbajalino, secretary of the Bogota Council, said when seeking asylum that he was being persecuted by the army because he is suspected of having ties with subversive groups.

We shall now hear a report from our colleagues from the Colombian Caracol system: [Colombia Caracol announcer] Good afternoon, this is Ovidio Peter Charrier of the Colombian Caracol Network speaking from Bogota for Radio Quito in Ecuador. The Colombian National Defense Ministry has stressed that troops of the 3d Brigade posted in Cali, but with jurisdiction over all of Narino Department, have captured six of the guerrillas which a week ago attacked a military post in Ecuador, killed two soldiers and seized eight rifles and other weapons.

The Colombian national defense minister issued a communique reporting that after several search operations, the Boyaca 9th Battalion troops, Cali and Pichincha battalion reinforcement troops, and Junin battalion troops, encountered the M-19 guerrillas which had attacked Ecuador.

The Colombian military command has not specified if these guerrillas acted on their own, mistaking the lay of the land, or if they did it in revenge against Ecuadorean officials for having turned over a group of guerrillas who had sought asylum in that country.

The military forces general command has entrusted the investigation to the judges operating in that region. These judges, according to international public and private law and also keeping in mind the pacts and agreements with Ecuador, will hold trials in Colombian territory.

It should be kept in mind, however, that according to new Colombian legislation, the Colombian penal code could allow the extradition of Colombians if requested by a foreign government. Naturally this would be only for common crimes, our legislation states.

If it is a matter related to public order and political crimes, Colombians cannot be extradited. This is the situation with regard to the M-19 guerrillas, who according to acting National Defense Minister Gen Jose Gonzalo Forero Delgadillo--who is replacing Gen Luis Carlos Camacho Leyva while the latter is in Brazil--resisted capture by the Colombian troops.

Apart from this the situation in Putumayo, Narino Department, which borders Ecuador, is relatively calm; but peasants in the region have reported other M-19 guerrilla groups.

Ecuadorean and Colombian officials along the border, at the administrative and police levels, have cooperated in the antiguerrilla struggle. However, at the Foreign Ministry level, the situation is completely different because international law would come into play which deals with states and private law when it is a matter of the extradition of persons involved in common or political crimes. [end Caracol report from Colombia]

BOMBS SET OFF AT CHILEAN, VENEZUELAN MISSIONS

PA071728 Buenos Aires LATIN in Spanish 1647 GMT 7 Sep 81

[Text] Bogota, 7 Sep (LATIN-REUTER)--This morning a guerrilla command detonated medium-power bombs in the diplomatic offices of Venezuela and Chile in Bogota. No casualties were reported, the police announced.

The first bomb exploded in the main entrance of the Chilean Embassy in northern Bogota, causing only slight damage to one of the walls of the embassy building.

Two hours later, a second bomb was set off at the Venezuelan Consulate, in a residential district in northern Bogota. The explosion blew out some windows in the building, the police added.

The Workers' Self-Defense Movement has called several Bogota radio stations claiming credit for the attack.

PRESIDENT TURBAY AYALA RETURNS FROM BRAZIL

PA070118 Madrid EFE in Spanish 0056 GMT 7 Sep 81

[Text] Bogota, 6 Sep (EFE)--Colombian President Julio Cesar Turbay Ayala returned this afternoon to Bogota after a 6-day official visit to Brazil.

Government Minister Jorge Mario Eastman, who was acting president during Turbay Ayala's absence, and other civilian and military authorities welcomed the president at Eldorado Airport.

Turbay returned pleased with his visit to Brazil where he signed several bilateral cooperation agreements. It was the first time that a Colombian president has visited Brazil.

FOREIGN MINISTER ON FRENCH-MEXICAN STATEMENT

PA042200 Quito Voz de los Andes in Spanish 1230 GMT 4 Sep 81

[Text] Ecuador has reiterated its constant position to the effect that it is up to the people of El Salvador alone to find a political and democratic solution to their own problems, along with its disapproval of any kind of violence.

The Ecuadorean position on the French-Mexican recognition of the [word indistinct] guerrillas in the sister Central American republic was stated by Foreign Minister Alfonso Barrera Valverde at a press conference:

[Begin recording] The Ecuadorean international position on this [words indistinct] is invariable, [words indistinct].

Replying specifically to your question, it is our opinion that it is up to the Salvadorans alone to find a political and democratic solution to their conflict and to their problems, without any type of foreign intervention, direct or indirect.

Within the traditional Ecuadorean position of disapproval of all types of violence, I wish to stress that this position means that there is a need for a political solution, which also means we disapprove of any possible military solution. [end recording]

EXPORT SECTOR DROP AFFECTS ECONOMIC GROWTH RATE

PA062331 Quito Voz de los Andes in Spanish 1230 GMT 6 Sep 81

[Text] Ecuadorean economic growth will fall below 4 percent, according to the latest economic studies of the gross national product. This is below the 5 percent programmed within the national development plan.

This information is included in the Ecuadorean economic letter published by Citibank. The sources state that during the first months of 1981, the country's export sector suffered a meaningful economic reduction due to problems in the world market for the main Ecuadorean export products and to the difficult international situation.

During the first half of this year, the source says, exports registered a 3.7-percent decrease compared to the same period during last year. This can be attributed to a surplus of traditional products such as petroleum, coffee, cocoa and bananas.

As a result of this situation, the report adds, there has been price destabilization with a downward trend on the international market. With the exception of marine products, which increased by 24.5 percent during the past 6 months, over the same period in 1980, the other export products suffered considerable drops.

Petroleum remained at almost the same level, showing a slight 2-percent increase.

MINISTERS, NEWS MEDIA COMMENT ON TERRORISM

PY050137 Paris AFP in Spanish 1856 GMT 2 Sep 81

[Excerpts] Lima, 2 Sep (AFP)--Three ministers and a spokesman of Government House have said that the terrorism which plagues Peru could have connections with domestic and foreign drug traffickers but the situation is far from being bad enough to put the country on the brink of disaster.

This statement seems to be a reply to the communique on Tuesday issued by the Bar Association to the effect that Peru is entering a phase of fratricidal war, a feeling which is echoed by today's editorials of EL COMERCIO and LA PRENSA published in Lima.

Government officials believe that the terrorists are trying to prompt government repression and suspension of individual guarantees at the domestic level, while at the foreign level they want to undermine Peru's image to discourage investors.

Properly authoritative sources have reported that 789 terrorist attacks took place in Peru since the beginning of last year; 453 of them involved the use of dynamite while the remaining 311 [figure as received] "were so-called white actions, involving anonymous telephone calls, raising of flags, etc."

The interior minister has indicated that violence will continue to be repressed through legal means and rejected the possibility that President Fernando Belaunde would declare a state of emergency because the situation does not call for it.

Justice Minister Enrique Elias has said that terrorism is fanatical, antidemocratic and totalitarian and stressed that its significance must not be exaggerated since the country is not on the brink of disaster.

He added that there are approximately 100 or 120 prisoners charged with terrorist activities in the entire nation and that their trials are developing normally, neither too slow nor too fast.

Aeronautics Minister Gen Jose Gagliardi has said that terrorist actions must not be exaggerated because they are common crimes and that it would be better to give more publicity to positive efforts.

Finally, a government spokesman said today that Peru is by no means living in a convulsed atmosphere and that there is absolute public tranquillity. He also added that individual guarantees have not been suspended and the state of emergency has not been declared.

He expressed the opinion that the terrorists are trying to undermine the democratic system, reduce the inflow of tourists and harm Peru's image abroad to discourage investors.

He concluded by saying that Shining Path is a small but active group which has no representatives in either congress or municipal councils because it lacks the support of the citizenry.

As to the declaration of the Bar Association, the daily EL COMERCIO today wrote that this document is obviously important and added that, despite the extremist onslaught, the government has managed to remain prudent when using the means to preserve public order available to it.

The daily added that in a democratic system it is essential to have conflicts and problems resolved legally and that it is necessary to enforce authority.

The newspaper LA PRENSA emphasized that the time may have come for the president to declare the state of emergency because "we cannot deliver the country into the hands of barbarian extremists, as we are entitled to live in a civilized manner."

PRESIDENT BELAUNDE DEFENDS RIGHT TO BUY ARMS

PY071306 Lima Radio America in Spanish 1130 GMT 7 Sep 81

[Excerpt] [Passage indistinct] nothing of what they are saying is true. Peru is just following the policy [words indistinct], that is replacing damaged arms. [Words indistinct], but President Belaunde said that, as a sovereign country, Peru does not allow anybody to tell it how it should arm itself. We arm ourselves the way we see fit. The president made this remark during the press conference held in the gardens of the Government Palace.

MINISTER ANNOUNCES ROAD INTO CONDOR RANGE AREA

PA041738 Quito Voz de los Andes in Spanish 1230 GMT 4 Sep 81

[Text The Peruvian transportation and communications minister, Fernando Chavez Belaunde, has said that the Peruvian Government will build a penetration road to the Condor Range on the border with Ecuador to protect settlements in that area.

The minister said that this road will bring with it several rural settlements that will facilitate the final elimination of all types of border problems with Ecuador.

We are convinced that the problems in that region will be definitely solved when we have continuous commercial, social and human dealings between the people of our two countries, he added.

The minister made these statements at a conference concerning Peruvian borders in the Amazon region sponsored by the Peruvian Diplomatic Academy.

The minister did not specify the route this penetration road will follow, but according to the terrain it is believed that it will begin on the coastline. The government had previously ordered the installation of a telecommunications system that would take television service to that area.

EXTENSION OF SOVIET ARMS PURCHASE DEBT REQUESTED

PY031848 Paris AFP in Spanish 0524 GMT 29 Aug 81

[Text] Lima, 29 Aug (AFP)--The Peruvian Government has asked the Soviet Union for a new time limit for the payment of its debt for the purchase of arms, the weekly the Lima TIMES has reported.

It adds that at the beginning of August Peru did not pay the USSR the due payment of \$25 million, as it had not paid the one for January, for the acquisition in 1970 [as received] of tanks, warplanes, helicopters and rockets.

The magazine also said that the chairman of the foreign debt committee of the government, Roberto Dagnino, has traveled to Moscow in order to negotiate the deferral of the debt and the purchase of new equipment and material.

It ends by saying that the armed forces have asked the administration of President Fernando Belaunde to approve their acquisition of \$200-million worth of new equipment by the end of 1981.

A few days ago General Hernan Boluarte, the commanding general of the air force, also traveled to the USSR in order to seek the transfer of technology from that country to Peru.

PRESIDENT ALVAREZ HOLDS FIRST PRESS CONFERENCE

PY050109 Montevideo Radio El Espectador Network in Spanish 1600 GMT 4 Sep 81

[Excerpts] The president of the republic, who was appointed 35 days ago, has given his first press conference. Lt Gen (ret) Gregorio Alvarez said that he will hand over the government to the person who is elected at the elections that will be held on the last Sunday in November of 1984.

President Alvarez said that the political dialogue will continue; that a convention will be held in order to elaborate a plan of action for a period extending up to 1985; that it is possible to amend Institutional Acts 7 and 8, since they are temporary; and that meetings with the U.S. and Argentine presidents will be scheduled.

[Begin Alvarez recording] Guarantees, particularly through Institutional Acts 7 and 8, will be restored according to the country's evolution. All of the measures that have been taken responded to temporary requirements, so I reiterate here what I said in my speech and we hope that it will help the institutional consolidation of the country through the new constitution, which will be opportunely voted on, thus leading to the full enforcement of freedom. [end recording]

Then the president was asked how and under what conditions he will hand over the government at the end of his term in March 1985. He answered:

[Begin Alvarez recording] I will hand over the government to the person chosen by and under the conditions that will be established by the Uruguayan people.

The government is to be handed over in 1987 [as heard] to the person who [words indistinct] emerging from free elections which will be held [words indistinct] on the last Sunday of November of the year before. [end recording]

The president said that the traditional political parties are the foundation of our democracy, and when he mentioned other political parties he stressed that only those without international ties will be allowed to operate.

[Begin Alvarez recording] It is always good to reiterate that in our country there will be no chance for those parties which are inspired or directed from abroad. [end recording]

He was also asked about the possibility of granting an amnesty for some citizens.

[Begin Alvarez recording] As for an amnesty, I believe that in our country, such a measure should not benefit those men and institutions that have conspired against their own national heritage. [end recording]

GOVERNMENT SUPPORTS NONINTERVENTION IN EL SALVADOR

PY050100 Montevideo El Espectador Network in Spanish 1600 GMT 4 Sep 81

[Text] At noon today Uruguay issued its opinion on the crisis in El Salvador and reaffirmed the nonintervention principle, stating that it believes that it is the OAS's responsibility to safeguard that principle which is the mainstay for the political coexistence of the nations of our continent.

An official communique adds that the forces which are unduly attributed a representative nature are no less than those of armed subversion which have foreign support and confront a government which has been internationally recognized.

The communique ends by stating that the Uruguayan Government and people hope that the Salvadorans themselves will be able to satisfactorily solve their current problems and take a path which will lead them towards a happy future free of foreign interventions.

At the beginning the communique points out that the pronouncement was made as a consequence of acts of foreign interference stemming from a joint declaration by two countries which recognizes the subversive groups in El Salvador.

INTERIOR MINISTER TRINIDAD ON POLITICAL OPENING

PY091706 Paris AFP in Spanish 1437 GMT 9 Sep 81

[Text] Montevideo, 9 Sep (AFP)--Uruguayan Interior Minister Gen Yamandu Trinidad has announced that the armed forces are interested in supplying, as soon as possible, the political parties with guarantees to allow them to operate freely.

He indicated that, in view of this, talks between high-ranking military officers and members of the political parties will continue in order to draw up the political parties statute. He said that these talks will begin next week within the framework of a joint commission made up of members of the Armed Forces Commission for Political Affairs (COMASPO) and representatives of political parties. The names of the latter are still unknown.

The work group will begin the analysis of the statute which will set the rules for the activities of the political parties at the end of this month because there is a certain degree of urgency involved in drawing up the statute. This urgency is to allow the statute to be submitted to the Council of State in November for immediate approval so that it can go into effect in 1982.

Trinidad also said that there is no fear of a resurgence of subversion but this does not mean that the responsible officials are not prepared for any outbreak. He concluded by saying that the police are mainly concerned about drug-addiction, traffic accidents and the prison situation; "however, none of these problems has reached an alarming stage."

ARMY COMMANDER ILL, ACTING COMMANDER APPOINTED

PY091601 Paris AFP in Spanish 2320 GMT 7 Sep 81

[Text] Montevideo, 7 Sep (AFP)--Gen Abdon Raimundez has been appointed acting commander in chief of the Uruguayan Army in view of the absence of Gen Luis Queirolo, who is suffering from heart problems, according to official information released here today.

Raimundez will perform his new functions at the headquarters of his current assignment, the 4th Army Division. He is also chairman of the Armed Forces Commission for Political Affairs (COMASPO), which is charged with laying the bases for the future code of political parties.

General Raimundez will act for Queirolo for an (?unspecified) period of time while the latter recovers from a heart dysfunction.

MINISTER OF ECONOMY, FINANCE PLANS NO DEVALUATION

PY051755 Paris AFP in Spanish 1222 GMT 2 Sep 81

[Excerpts] Montevideo, 2 Sep (AFP)--The minister of economy and finance, Valentin Arismendi, today affirmed that no one in Uruguay need fear a big devaluation, but he denounced the existence of interests which often push for such a devaluation and who enrich themselves from the fear of such a measure. Arismendi also said that Uruguay has already established that in economic matters the state will be an observer, leaving the protagonist's role to private activity, which must assume all the risks and also enjoy all the benefits.

OFFICIALS REACT TO MEXICAN, FRENCH DECLARATION

President Royo Interview

PA051520 Panama City Circuito RPC Television in Spanish 1715 GMT 4 Sep 81

[Interview with President Aristides Royo on the declaration by Mexico and France recognizing the FMLN and the Revolutionary Democratic Front of El Salvador; on 4 September in Santiago, Veraguas Province--recorded]

[Excerpt] [Royo in progress]...that is one type of intervention. We believe that there is intervention in El Salvador with arms, with training and with military technical and logistic support. Panama has been and shall be totally opposed to that type of intervention. We do not believe that it is just or correct to charge that the Mexican-French declaration of recognition is intervention.

[Question] Mr President, I would like to ask about the foreign minister's statements which are being frequently aired on television that Panama will not authorize the [word indistinct] exhibit.

[Answer] Precisely. Panama is a peaceful country, really peaceful. We have a neutral canal, a treaty of neutrality. Panama is a country where the only army is made up of the students and the vital forces of the nation. Panama has a National Guard which, as we have said on various occasions, is part of the people, which identifies with the people. It is true. Panama will not permit an arms exhibit. We have advised the Cahners Exposition Group Company [of Chicago] that they can exhibit agricultural and health products in Panama but not weapons. We don't approve of weapons exhibits because they do not give the world the right image of our country.

Foreign Minister Comments

PA090401 Panama City Circuito RPC Television in Spanish 1715 GMT 8 Sep 81

[Text] We respect the Mexican and French Governments' decision to recognize the Revolutionary Democratic Front [FDR] as a political force in El Salvador, Foreign Minister Dr Jorge Illueca has said. The Panamanian Government, however, has at no time considered taking the same stance as France and Mexico on the Salvadoran problem.

The French and Mexican Governments recognized the FDR as a political force in El Salvador a week ago.

Dr Illueca added: We respect the position taken by France and Mexico, just as we respect the views of all other nations. We believe that the Salvadoran Government must seek a peaceful solution to its problems. Commenting further on this subject, the minister indicated:

[Begin recording] Panama's position remains the same. Panama is in favor of peaceful and negotiated solutions and does not agree with any kind of interference or military intervention. Panama wants the Salvadorans to resolve their problems themselves. In order to do this, all forces currently involved in some type of activity in El Salvador must be taken into consideration. [end recording]

Royo's Political Adviser

PA011733 Managua Radio Sandino in Spanish 1200 GMT 1 Sep 81

[Text] Carlos Perez Herrera, the political adviser of Panamanian President Aristides Royo, said yesterday that the fact France and Mexico have recognized the FMLN and the Revolutionary Democratic Front [FDR] of El Salvador could prevent U.S. military intervention in Central America.

Perez Herrera said that the joint measure of France and Mexico strengthens the liberation movements of El Salvador and other Central American peoples. Referring to U.S. aid to the military-Christian Democrat junta, Perez Herrera said the United States has not learned its lesson from history. This type of aid with similar purposes was previously delivered to Gen Anastasio Somoza, who was ousted by the Nicaraguan people.

Meanwhile, Salvador Samayoa, member of the Political-Diplomatic Committee of the FMLN-FDR, said that the Mexican-French declaration counteracts all of the U.S. theories about the Salvadoran conflict. Samayoa added that the decision to recognize the FMLN-FDR is the most important international event since the world learned the Salvadoran people were being exterminated, because it considers the coalition which is struggling for the liberation of the country as a representative political force.

COOPERATION WITH U.S. FORCES TERMED 'EXCELLENT'

PA080005 Panama City ACAN in Spanish 1903 GMT 7 Sep 81

[Text] Panama City, 7 Sep (ACAN-EFE)--Panamanian and U.S. military officers today said that the cooperation between the U.S. Army and the Panamanian National Guard in the joint defense of the canal has been excellent and that there have been no major problems.

Col Florencio Florez, National Guard commander, presided over the special events to commemorate the fourth anniversary of the signing of the Torrijos-Carter canal treaties held at Fort Amador, located at the end of the canal on the Pacific side, where the joint defense board has its headquarters.

Lt Col Armando Contreras, joint chief of this board and member of the Panamanian General Staff, said that there have been no serious problems among the military officers of the two countries since the treaties went into effect on 1 October 1979.

"There can be no claims of treaty violations regarding the military," Contreras noted.

There have been minor difficulties, the Panamanian officer said, but they were due to differences in the languages and the procedures between the Panamanian National Guard and the U.S. Army.

For his part, Col Giac Modica, the U.S. joint chief of this combined board, said that "more progress than believed possible" was made in the joint defense.

"Cooperation has been excellent," Colonel Modica stressed.

During the ceremony at Fort Amador, Colonel Florez said that the Panamanian National Guard wants to strengthen its professionalism, unity and training.

COSTA RICAU.S. REPORTEDLY TO SEND TROOPS TO EL SALVADOR

PA062129 Havana International Service in Spanish 1800 GMT 6 Sep 81

[Text] San Jose, Costa Rica--Salvadoran labor leader Jose Antonio Moran has denounced the U.S. intention to send new mercenary forces to El Salvador. Moran said these mercenaries are being trained in the Panama Canal Zone and in addition, that Washington is training 40,000 troops of its own army to use in an armed attack against the Salvadoran people.

The labor leader concluded by praising the French-Mexican position with regard to the liberation conflict in his country and exhorted international public opinion to demand the release of the political prisoners currently on strike in different prisons of the country.

EL SALVADORDUARTE ON ELECTIONS, RECOGNITION OF FMLN, FDR

PA092010 San Salvador Domestic Service in Spanish 1830 GMT 8 Sep 81

[Speech by Jose Napoleon Duarte, president of the revolutionary junta of the Government of El Salvador, during the first metropolitan congress for community development, on 7 September at the national gymnasium in San Salvador--recorded]

[Text] Salvadorans, standard bearers of the fatherland, members of the government revolutionary junta, ministers, secretaries, civilian and military authorities, companero leaders of communities and of small businesses, of athletic and cultural organizations, of all sectors of the communities of San Salvador: It is a great pleasure to be here again with sectors that for years have been left out of progress and social development. I feel great pride to be here with you, because I know what it is to be in your position. You were the ones who made it possible for me to reach the position in the mayor's office from which I worked for you.

Because of the support you have given me, I now carry the responsibility--together with three other brave men who have faced as members of the revolutionary junta the serious problem currently affecting our fatherland. I understand perfectly each and every word that the representative of the communities has uttered here. It is absolutely true that communities have been mistreated, abused and ignored by those who have had the privilege of being in power, of having the political, economic and social power in their hands. What is most sad about this is that neighborhoods, sectors and communities are called marginal zones and illegal neighborhoods. But there is nothing illegal to want to have a roof, to want to work and to struggle in order to lead a dignified life.

It was with this feeling that during my exile I wrote a book entitled: COMMUNITARIANISM FOR A BETTER WORLD. Gentlemen, communitarianism refers to communities and to the united people struggling with their work to have the conditions for a better life. On this day, you who are attending this congress are here to give an answer to those who do not understand that a community is people united and struggling for their own development.

We of the revolutionary junta realize our mission, which is why we have begun to make deep social changes, through the most important revolution ever to take place in Latin America, to change the state of injustice that the peoples have suffered. That is the reason for implementing the profound agrarian reform, banking reform, foreign commerce reform and other changes we have been carrying out and which we will continue. Nevertheless, you are right. We must not stop there. We must reach to the heart of each Salvadoran, to the communities. We must find ways to strengthen the people's unity, to solve our state of poverty, and to overcome conditions that are inhuman.

The speeches delivered here today by your representatives are testimony to a logical, firm and reasonable position which we respect. Let me tell you here that we are willing to meet each complaint and demand you have made. That is why the revolutionary junta yesterday approved the law which grants the Urban Housing Institute 20 million colones to be placed, as you have demanded, in the hands of the poor, of persons who live in the conditions you do, so that they can have the means to make the buildings you yourself wish to make.

I now wish to talk of another problem which concerns us all. It has to do with the confrontation, with the crisis of violence in which we are living. The people are suffering from acts of terrorism and because gangsterism and crime has been confused with the actions of political terrorism. It is necessary for all Salvadorans to understand that we are involved in this crisis of violence and that only by the will of the people, who wish to have peace, can we achieve these objectives. I am sure that you want the social changes, a social revolution, but I am also sure that you do not want a revolution which kills children and citizens, which kills and destroys, because in this way we are destroying human beings.

We want a revolution that changes the bad things of our society. We want a revolution that creates a new society of men with freedom and without social injustice. That is why it is important to understand that the revolutionary junta has proposed the method of democratic revolution, which begins with the social changes we have made and which little by little will be changing the conditions of injustice. This we want to carry out through elections. Just as you said in your document [not further identified] that it is necessary to take you into consideration because you are the ones living in conditions of poverty and you are the ones to decide how to solve the problem; the fatherland also needs you Salvadorans to give your opinions and say how you want the problems to be solved. This is the reason for calling a democratic and free election--not a fraudulent election in which you are herded like sheep to the polls, but an election in which the people can freely choose the path they wish, in which there is no one talking on behalf of the people, but the people themselves speaking on behalf of the fatherland.

The news media has been waging a slander campaign against us throughout the world. This has been a biased campaign, aimed at injuring our prestige, and in doing so, the media has misinterpreted the historic process we are going through. It has been a campaign to get the peoples, governments and nations to oppose the views and hopes of the Salvadorans and to give support to those sectors promoting terrorism and violence. This led to last week's incident in which Mexico and France tried to impose their positions on the Salvadorans. They tried, as imperialist powers, to impose their views and to intervene in our country's affairs. I want to ask you: Do we want foreign intervention? I didn't hear you. Do we want foreign intervention? [crowd shouts: "No"] Look, it is the people saying that we do not want foreign intervention and the government is struggling against foreign intervention from wherever it comes--from Mexico, France, Cuba and anywhere. El Salvador will solve its problems among and for the Salvadorans in a democratic process.

I tell you on behalf of the revolutionary junta that the government is struggling. But it cannot struggle alone: It needs the will and support of Salvadorans of all sectors, and that is why I am asking you to help us, to get together and participate. We want to hear what you have to say about this invasion and meddling in the Salvadoran's right to self-determination. I am asking you to help us by giving your opinion and making a decision on this problem, on the Mexican-French communique, which is a dirty intervention in the affairs of El Salvador. At the same time that I am asking you, I am asking all sectors, labor, industrial, and all the sectors in the country to let us form a national union so that we can show the world that we do not want anyone to intervene in our affairs.

It is my turn now to thank you for this opportunity to address you, and I can assure you that we are going to take into consideration each and every point you have submitted in this congress. We are going to give each point serious analysis and see that what you have said is carried out, to the effect that opportunities are created allowing participation. In particular, you will gain not just simple support to communities as a favor, but a system in which communal development really means to face each and every problem of the community. This will give you the opportunity, not just for recreational, cultural and community activities, but to find the means to achieve things.

This is up to productive sectors of the communities, so that through their own production of wealth, you can attain your objectives, through the joint efforts of the people and the government.

Thanks to you, I am deeply grateful for this opportunity. Thanks again. God bless you, Salvadoran people, standardbearers of the fatherland. Thanks. [applause]

Rebel Leaders on Recognition

PA090014 Panama City MATUTINO in Spanish 4 Sep 81 p 10a

[By Erich Rodriguez Auerbach]

[Text] Everything that happens in Central America is important to the Panamanian people. The revolutionary war against the Somozist tyranny was lived in Panama on a day by day basis. The same is happening with the liberation process in El Salvador, of which any reports are of great interest to our readers.

In line with this journalistic interest, we heard of the presence in Panama of the famous writer Commander Ana Guadalupe Martinez and of Dr Ruben Ignacio Zamora, both of the political commission of the Revolutionary Democratic Front [FDR] and the FMLN. They gave us some very interesting statements on El Salvador's present situation, some of which follow.

When asked about the recognition by France and Mexico and the disavowal by nine Latin American countries of the Revolutionary Democratic Front and the FMLN, Ruben Ignacio Zamora said:

Initially, I would say that the recognition by France and Mexico is the result of those two countries' policy of support for democratization processes and truly popular changes in the Third World. I think that this is the first truly significant act in President Mitterrand's new policy toward the Third World. It is also the result of the FMLN's military gains during this year of lower case war in El Salvador.

We also believe that it is part of the political maturity that the FDR and FMLN have shown in their relations with many governments and with world political forces. This has achieved two basic goals: First, it has shown the world that the U.S. position on El Salvador is incorrect. It has shown that the U.S. support of the military-Christian Democratic regime goes against the interests of the Salvadoran people. It goes against the interests of peace in the area and of worldwide detente.

It also seems to me that this recognition has clearly indicated the true situation in El Salvador. For example, by seeking this recognition and by pointing out the need for basic changes in El Salvador, we have clearly put the lie to the military-Christian Democratic junta's policy of calling itself reformist. It seems to me that this recognition has given greater credibility to the struggle that our people are waging through the FDR and the FMLN.

As for reaction from other countries, I believe that we have to bear two basic points in mind: First, most of them are military dictatorships, especially in the Southern Cone and in Guatemala, which have been characterized for years by their massacre and repression of our peoples. Secondly, we have to analyze the Venezuelan attitude, in the sense that the present government has placed strictly partisan political interests in support of its friend Napoleon Duarte and the Christian Democratic Party of El Salvador above the interests of the Venezuelan Government and people. This Venezuelan reaction does not go along with Venezuela's democratic tradition, but neither does its support of the Salvadoran military-Christian Democratic regime.

Dr Zamora, commenting on the attitude of international organizations, said:

We have attended international organizations' meetings. For example, we attended the OAS General Assembly meeting last year. The third commission passed a resolution on El Salvador asking the international community not to intervene in El Salvador, nor to send arms, and attempting to put an end to the violations of human rights. We also attended the meeting in Geneva of the UN Human Rights Commission, which appointed Pastor Rituéjos as a special delegate to analyze the situation in El Salvador. We will also attend the UN General Assembly meeting this year. In other words, we are ready, as we have been in the past, to present our case to the international community. The recognition by France and Mexico was the result of our efforts.

When asked if he is thinking of participating in a meeting of experts in preparation for a future Central American foreign ministers meeting, Zamora replied:

No, we will not ask to attend. We feel that we are not contributing to a true solution by acting in conflict with the junta on this point. On the contrary, we believe that Central American governments, as well as others throughout the world, will come to realize what the situation in El Salvador is really like. We already have proof of this in the French-Mexican recognition.

The members of the political commission had the following to say about the general economic situation:

Undoubtedly the need for foreign aid will be very important in rebuilding our country when the Salvadoran people win their struggle. The FMLN and the FDR have clearly expressed their hope that the international community--unselfishly and without imposing any conditions on our government's freedom--will aid substantially in rebuilding our country, which will be our main task when our people are liberated.

Commander Ana Guadalupe Martínez was also emphatic about El Salvador's problems. She referred especially to the latest denunciations by the church, particularly those by Msgr Rivera y Damas. She said:

In the first place, we must say that these denunciations are very positive, because the church's voice is widely heard. That voice carries a message of credibility as to what is truly happening to our people. Regarding human rights, the church has been a firm supporter of Archbishop Romero in the past, and recently of Monsignor Rivera, who had not previously expressed his position on the outrages committed by the military-Christian Democratic junta against our people. Lately, the church has reaffirmed its rightful position, defending the people and believers. We never asked Msgr Rivera y Damas to speak out in our favor. We ask only that he fulfill the Catholic Church's role in this moment, which is to defend the people. We are very pleased to see that Msgr Rivera y Damas has reassumed his role in defense of human rights in El Salvador.

We also asked the commander what she thought of the situation in Salvadoran prisons. She replied:

I could say that, on the contrary, what that book [not further identified] reports are perhaps the first experiences in the area of missing persons and of tortures perpetrated by the government. They have been increasing the incidents of torture and repression during these years of struggle. I could say that what the book says is nothing compared to what is now going on.

It is not surprising that during 1 week 50 beheaded bodies were found, showing signs of having being burned with a blowtorch, of having being sawed and of other tortures that that book does not mention. They have increased their methods of torture, repression and terror against the people to the same extent that the people's organization and discontent have increased. I can honestly say that the book depicts truly difficult situations, but they are nothing compared to what the junta is doing to prisoners and missing persons.

When asked about Salvadoran actions in the international sphere in the near future, Zamora replied:

The French-Mexican initiative was duly presented to the Panamanian foreign minister in his role as president of the UN Security Council. We are looking forward to the Panamanian Government's support in international forums, as has been the case in the past. We look forward to this support in the denunciation of the atrocities that the military-Christian Democratic junta is committing against our people, as well as in the quest for constructive paths toward peace, democracy and true social changes in our country. Our goal is to work during the entire period of the General Assembly session, which will start on 15 September. We would like to count on the support of the Panamanian delegation to the United Nations.

Zamora, impressed by General Torrijos' death, said:

I would like to convey a message of condolences and hope to the Panamanian people on Gen Omar Torrijos' death. We always regarded him as a friend of our country's liberation process. He was a good man, who understood our situation and helped us.

The general always believed in communication, advice and suggestions. We are sure the Panamanian Government and people will uphold his legacy of national independence and his support of popular causes. We are sure that the general's memory will live on, strengthened by the Panamanian people and government's actions.

Commander Ana Guadalupe Martinez again referred to the prisoner-of-war issue. She pointed out the following contrasts:

Regarding the prisoners in the hands of the FMLN, we have said that we are willing to turn them over to an international organization, primarily the International Red Cross. We have announced our decision and we are working toward that end. Companero Zamora and I have been appointed to handle the talks on the turnover of the prisoners now being held by the FMLN.

We have already contacted the International Red Cross about the delivery of these prisoners. We have already given the Red Cross an official list of the prisoners, detailing their names, ranks, outfits, and other necessary information. We have also arranged for the International Red Cross commission to visit the prisoners. The important point in all of this is to see the contrast. When we take prisoners, we treat them humanly, fully respecting their dignity. When the government takes prisoners, it usually takes them in the streets and not in combat. Being civilians, they are jailed and tortured to such an extent that political prisoners in El Salvador are on a hunger strike and are going to demand their minimal rights as prisoners. There is a striking contrast in the way the two sides treat their prisoners.

There is something that I would like to add: Not only the recognition, but our historical commitments as well, force us to obey the Geneva Convention regarding prisoners of war. We sought out the Red Cross because it is the international organization best fitted to safeguard the interests and lives of these people who have fallen into the hands of the FMLN.

Church Condemns Declaration

PA052212 San Salvador Domestic Service in Spanish 1833 GMT 4 Sep 81

[Communique issued by the episcopal conference of El Salvador, CEDES; date not given]

[Text] Communique on the intervention of France and Mexico in the domestic affairs of the country:

To the Salvadoran people and Episcopal Conferences of the world:

We are shocked upon learning of the declaration submitted by the governments of Mexico and France to the United Nations whereby they recognize the FMLN and the Democratic Revolutionary Front, FDR as a political force that is representative of the Salvadoran people and that represents some solutions to El Salvador's domestic problems.

We are aware that a small sector of the people in our country sympathizes with the FMLN and with the FDR, but they have lost popular support and are currently terrorizing the population and damaging the nation's economy by destroying properties and public services, all in an effort to gain political-military advantages and to create the conditions for the seizure of power and imposition of a Marxist-Leninist dictatorship.

We consider the French-Mexican declaration to be interference in El Salvador's domestic affairs, because it recognizes a political group as representative of the Salvadoran people. The possible consequences of this action are:

A worsening of the prolonged war of attrition, with the resultant death of more Salvadorans;

Further destruction of property and a tremendous increase in the number of persons living in poverty;

A further radicalization of social groups, making the search for peace even more difficult; and

The internationalization of the problem at a much more rapid pace.

The bishops of El Salvador defend our nation's right to self-determination and, at the same time, condemn any type of interference in our country's internal affairs. Therefore, we reject this interventionist action by the governments of France and Mexico and ask all world's countries for positive collaboration, so that we can find the peace we yearn for.

[Signed] (Jose Eduardo Alvarez,) CEDES president; Msgr Freddy Delgado A., CEDES secretary general

Archbishop on Declaration

PA082002 Paris AFP in Spanish 1944 GMT 6 Sep 81

[Text] San Salvador, 6 Sep (AFP)--Monsignor Arturo Rivera y Damas, archbishop of San Salvador, said here today in his Sunday homily that the French-Mexican declaration which grants political recognition to the armed Salvadoran opposition "is no reason to rend one's garments."

The prelate stressed that "if the French-Mexican declaration morally compels the Salvadorans to think twice about the sociopolitical situation and to evaluate the damage caused by the war and to try to find more reasonable, civilized and Christian ways to solve the conflict, then I don't see why it should be reason to rend one's garments."

"Good advice is good advice, even if it comes from the devil," said Rivera citing St Giovanni Bosco and clarifying the position of the Salvadoran Church hierarchy. A document issued Friday by his bishop colleagues charged that the French-Mexican declaration is "interventionist."

He deplored the fact that "the Salvadoran problem would worsen and become more internationalized if the countries that have previously contributed arms and military advisers decide to intervene openly."

He said, "Reason and justice require that a political and not a military solution be sought, because we cannot continue like this, especially with the threat of the internationalization of a problem which we Salvadorans must solve without foreign intervention."

He added, "Many sectors have already made statements on the French-Mexican declaration which recognized the guerrillas as a representative political force, but I have a more respectful comment on it."

"This comment," he affirmed, "is not made in political, partisan, diplomatic or technical language but in the language of a Latin American church which feels intimate and true solidarity with all the peoples of the continent."

The prelate said that "there is a fact to which we cannot close our eyes: the bloody situation of the Salvadoran people who are involved in a fratricidal war whose causes are imbedded in a history of oppression and death and in an inveterate situation of institutionalized injustice."

He pointed out that the problem has become more acute "with the intervention of foreign countries and that whatever excuses they might have had or regardless of the imperialism which they represent, they have militarized the conflict by seeking only an armed solution."

Rivera said that El Salvador has fallen into a precipice of irrational violence. Thousands have been killed, many of them noncombatants who have been seized from their homes without any regard for the degree of their political participation.

He said that the church rejects all kinds of armed, political, economic or military intervention and that the bishops gathered in Medellin, Colombia and rejected all forms of ideological imperialism.

The archbishop insisted on a political solution. He specifically asked for a truce "as a sign of good will" and said that he had the support of many institutions and individuals who have offered their good office to find a just and peaceful solution.

Going back to the French-Mexican declaration, Monsignor Rivera said that "if the declaration represents a clear intention to intervene in the domestic affairs and to prolong a warlike and violent situation in the country," then he "would not agree with it."

Neither would he agree with it either "if that declaration intends to force the two sides in dispute to a dialogue and to tell them what to say and how to act."

Nevertheless, he said, "if that declaration has been an international call, perhaps not commonly used and not in accordance with international laws, but one that morally compels Salvadorans to think twice about the sociopolitical situation of our country and to evaluate the damages caused by the war and to seek more reasonable, civilized and Christian ways to solve the conflict, I don't see why it should be a reason to rend one's garments."

"El Salvador cannot be a fatherland for a few and a cemetery for the others; it must be a fatherland for all," he stressed. At the same time he asked "that no group" be stubborn because each group stubbornly saying that it is right and that its proposal is best would only stand in the way of the dialogue.

Rivera y Damas asked the government to make good preparations for the announced 1982 elections, which should include "more media freedom and the abolition of the state of siege and martial law."

He finally said that "the French-Mexican declaration, or any other declaration that might be issued, should not be used as a pretext for hardening positions but should facilitate the search for a reasonable solution to our problem."

MINISTRY PROTESTS NICARAGUAN SUPPORT OF GUERRILLAS

PA081705 San Salvador Domestic Service in Spanish 1230 GMT 8 Sep 81

[Communique issued by the Salvadoran Foreign Ministry on Nicaragua's announced support for the French-Mexican declaration; no date given--read by announcer]

[Text] In reference to the communique released to the press on 4 September by the Nicaraguan Foreign Ministry publicly announcing its support of the French-Mexican joint declaration of 28 August, this foreign ministry wishes to make the following statement:

The government of El Salvador has declared that the French-Mexican declaration of 28 August contains interventionist concepts which, far from contributing to a solution of the violent crisis affecting our country, makes the crisis more serious and radical; therefore, we categorically reject that declaration.

Of all the nations of the hemisphere, only the Nicaraguan Government joined the French-Mexican declaration, which constitutes an act of "uncommon hostility," taking into account that it was announced after 14 Latin American nations had supported the Salvadoran position as a legitimate action in defense of its sovereignty and the principles of self-determination of the peoples and of nonintervention in the internal affairs of other states. Such a position demonstrates the isolation in which the Nicaraguan foreign policy operates. That isolation is also shown by the support which some Nicaraguan official circles lend to subversive movements in the area and by the arms race in which the Nicaraguan Government is engaged. That arms race is detrimental to the creation of the proper climate for the region's peace and security.

The revolutionary governing junta is trying to find a political solution to the violent crisis affecting El Salvador. Aware of the internal causes provoking the crisis, we have invited all legally registered political parties or in those the process of formation, regardless of their ideology, to participate in the establishment of the mechanisms of rapprochement and negotiation required for a political solution through elections. The junta hopes that the process will satisfy the majorities and will guarantee respect for the minorities.

It is universally known that we are carrying out structural reforms of great importance. Likewise, we encourage the electoral process while some other regime in the Central American area dares not engage in such a popular consultation, fearful, no doubt, of the results.

The democratic vocation of the Salvadoran people and their insistence on the search for peaceful solutions to the national and international problems have led them to take advantage of any opportunity to overthrow dictatorships as well as to take advantage of the present opportunity for free elections, which for the first time in half a century is offered to them free of excuses of political immaturity or supposed needs of state.

It is perfectly justified not to overlook actions which, like the Nicaraguan Government's support of the French-Mexican declaration, encourage armed alternatives and consequently try to block any democratic political solution and the advance of the revolutionary process of the governing junta.

This new decision of the Nicaraguan Government will be added to a long list of provocations and hostile actions against the people and government of El Salvador sponsored or cosponsored by the Nicaraguan Government. Such a list includes the systematic support--moral, political and otherwise--which some Nicaraguan sectors have offered to armed subversive groups.

In view of the above, it is imperative to note the historic responsibility of the Nicaraguan Government for whatever consequences such attitudes may have on Central America.

El Salvador has acted and continues to act with the prudence demanded by the seriousness of the situation, always conforming to the principles of international law, free determination of the peoples and nonintervention in the domestic affairs of other states.

That is why El Salvador strongly rejects the support announced by Nicaragua because its hostile, interventionist and aggressive nature makes it a serious action to which neither the people nor the government of El Salvador can remain indifferent.

MINISTRY RECALLS CHARGE D'AFFAIRES TO MEXICO

PA090211 San Salvador LA PRENSA GRAFICA in Spanish 8 Sep 81 p 3

[Excerpt] The Salvadoran Foreign Ministry urgently recalled Jaime Alberto Lopez Mila, our charge d'affaires to Mexico, on Sunday. He delivered his report to Deputy Foreign Minister Alejandro Gomez Vides yesterday.

It has been established that the date of Lopez Mila's return to Mexico City has not yet been determined. It was only said that he was recalled on Sunday for consultations on various issues.

BRIEFS

OFFICIAL WITH FPL TIES--San Salvador, 1 Sep (ACAN-EFE)--An army source reported today that Jorge Werner Alvarez, Central Market administrator and a university student, was brought before a judge and accused of being a member of the clandestine People's Liberation Forces [FPL]. The official was arrested at his office in the Central Market on Wednesday by heavily armed men in civilian clothing, which is why, in the beginning, the local vendors said he had been kidnapped by unidentified people. Yesterday Alvarez was taken to the Salvadoran National Guard main headquarters, where he was accused of having participated in extremist activities with the FPL. According to the National Guard, the prisoner operated under the alias of "Miguel" or "La Gata". He is a native of Santiago de Maria, in the eastern sector of the country. Also according to the National Guard, Werner Alvarez began working for the FPL in 1975. Among his main functions with this organization were recruiting people for the organization and the trafficking of weapons for the leftist guerrillas. [Text] [Panama City ACAN in Spanish 1933 GMT 1 Sep 81 PA]

GUATEMALAPRESIDENT WILL NOT CONFISCATE BRITISH PROPERTY

PA100237 Paris AFP in Spanish 1737 GMT 9 Sep 81

[Excerpt] Guatemala City, 9 Sep (AFP) Guatemalan President Fernando Romeo Lucas Garcia announced today that no British property of goods will be confiscated in Guatemala following the break in consular relations with Great Britain after it "unilaterally" granted independence to Belize. According to the president, "we are not a country inhabited by cavemen, who would try to seize what is not ours." He added that Belizean students with scholarships to study in Guatemala "will have to go home."

16 MORE DEAD AS RESULT OF 'POLITICAL VIOLENCE'

PA100245 Panama City ACAN in Spanish 1716 GMT 8 Sep 81

[Text] Guatemala City, 8 Sep (ACAN-EFE)--According to official sources, 16 more persons have been assassinated in Guatemala in the past few hours as a result of the political violence currently rocking that Central American country.

The bodies of nine individuals, among them that of a woman, were found by residents of the various ranches and towns in several parts of the Escuintla Province in the south. Judicial authorities subsequently examined these bodies.

Seven peasants were killed inside their homes in the mountainous El Quiche Province, near the Mexican border. An official from San Miguel Municipality escaped unharmed from the attack carried out by several heavily armed unidentified individuals.

Of the seven bodies found in various villages in El Quiche, only one has been identified since the others showed signs of torture and had many gunshot wounds in their heads.

El Quiche Province, which is about 8,000 square km, is located in the north. The 300,000 people who live there have been enduring the constant clashes between the guerrillas and the Guatemalan Army for the last 20 years.

DECREE ON ARMS MANUFACTURE, AMMUNITION SUBMITTED

PA090350 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 8 Sep 81

[Text] A decree approved last week through which the national Congress authorizes the executive branch to manufacture weapons and ammunition here in Guatemala, has been submitted to the National Defense Ministry. Once sanctioned by the president of the Republic, it will be published in the official newspaper and (?will become effective).

According to this decree, any private company that files the necessary application and meets the National Defense Ministry's requirements will be able to manufacture weapons and ammunition here in Guatemala.

HONDURAS

GOVERNMENT CUTS BUDGET BY 60 MILLION LEMPIRAS

PA090357 Tegucigalpa Radio America in Spanish 1145 GMT 8 Sep 81

[Excerpts] Following a meeting of the economic cabinet with the president of the republic, Finance and Public Credit Secretary Valentin Mendoza announced that the country's general budget will be cut by some 60 million lempiras. This cut, which will affect all state agencies without exception, is due to the fact that state has experienced a drop in revenue; therefore, expenditures must be cut, the official noted. Mendoza explained that the administration's economic situation is depressing. The country's revenues have decreased and for this reason, expenses must be cut, he added.

Mendoza said that there was no preferential treatment in this decision and that the cut was general as the state cannot continue to spend money it will not receive.

NICARAGUA

NATIONAL STATE OF EMERGENCY DECREE ISSUED

PA100409 Managua Domestic Service in Spanish 0035 GMT 10 Sep 81

[Ceremony at the Government House in Managua, Nicaragua to announce the issuance of a National Emergency Decree, presided over by Commander Daniel Ortega Saavedra, coordinator of the junta of the Government of National Reconstruction; and by Sergio Ramirez Mercado and Rafael Cordova Rivas, junta members; and attended by Commander Humberto Ortega Saavedra, defense minister; Commander Henry Ruiz, planning minister; Commander Carlos Nunez, State Council president; Roberto Arguello Hurtado, chief of justice of the Supreme Court; Ernesto Castillo, justice minister; Alfredo Cesar Aguirre, president of the Central Bank; and other Cabinet members--live, in a linkup of national radios]

[Text] [7 minute passage indistinct; reading of emergency law in progress]

1. This emergency law regards the following as crimes:

The coordinated suspension of either public or private transportation;

The destruction of raw materials, agricultural and industrial products and infrastructure works;

The dissemination of false news that might lead to the alteration of prices, salaries, food supplies or currency;

The sabotaging of production centers, markets and stores or other actions aimed at hindering production activities;

The hoarding of any kind of merchandise and speculation with prices;

Work stoppages, seizures of work centers or strikes, and the invasions or seizures of land that are not in accordance with Agrarian Reform Law provisions;

Incitement of foreign governments or credit institutions not to give or to suspend aid to Nicaragua or to harm the country's economy.

The emergency law suspends the right to strike (?as a guarantee), just as it suspends protection [amparo] against the administrative actions of the junta of the Government of National Reconstruction having to do with the implementation of the law itself.

2. A number of measures to promote order and control are adopted and certain laws are promulgated, which help the junta of the Government of National Reconstruction handle the national emergency situation. These measures are:

Fiscal Measures:

1. National budget--Current expenses are reduced by 5 percent, subsidies by 10 percent, vacancies are frozen and other measures are adopted that will result in a budget savings of 438 million cordobas during the remainder of the year.
2. Selective consumption tax rates will be increased between 30 and 100 percent for imported merchandise that is not vital to the population. National products will not be affected by this tax and national exporters of manufactured products will be entitled to a refund of the consumption tax increase paid for the raw materials or inputs used to manufacture their products.
3. The junta of the Government of National Reconstruction is submitting to the State Council a law that punishes the crime of fiscal evasion by establishing pecuniary sanctions and jail sentences for those who resort to illegal maneuvers in order to evade taxes. A law to punish the crime of customs evasion will subsequently be submitted to the State Council.

Financial Measures:

1. The functioning of the free foreign currency market is regulated so that only those moneychangers authorized and controlled by the Central Bank will be able to operate. The regulation determines what currency will be negotiable on the free-currency market. The violation of this regulation and of the other laws on this subject will also constitute a crime. The junta of the Government of National Reconstruction is also submitting to the State Council a law to punish crimes connected with moneychanging.
2. The import-export system is regulated in order to speed up the procedure and to prevent excessive bureaucracy.
3. Rules for banking credit are established.
4. An order of priorities is established for the allocation of currency so that productive activities will be favored above all else. Furthermore, the laws that (?protect) the country's resources against capital depletion, the laws issued to fight embezzlement and the smuggling of cattle and a number of other provisions will be enforced with the rigor that the current emergency necessitates.

We ask all Nicaraguans, the working people, the small and medium-sized agricultural producers, professionals and technicians, businessmen, to close ranks around the national reconstruction tasks. Now more than ever, we must undertake them in the highest spirit of patriotism, dedicating ourselves to production with determination and discipline, austerity and efficiency. Only in this manner will we make possible the project of the Sandinist people's revolution, which calls for Nicaragua's social, economic and moral transformation:

[Signed] Junta of the Government of National Reconstruction Sergio Ramirez Mercado, Rafael Cordova Rivas, Daniel Ortega Saavedra

Government House, Managua, 9 September 1981, year of defense and production.

[Unidentified speaker] And now Companero Justice Minister Ernesto Castillo will read the text of the law on the economic and social emergency.

[Castillo] Whereas;

1. The economic reconstruction of our fatherland needs a true climate of stability and internal order to favor the efforts for production and the disposition toward work and discipline;
2. The preservation and strengthening of social peace is a primary obligation, not only of the government, but of all Nicaraguans, so that our model of mixed economy and political pluralism will not decrease but will develop fully.

Therefore, the junta of the Government of National Reconstruction of the Republic of Nicaragua decrees:

Article 1. According to Article 49 of Decree No 52 of 21 August, 1979, and Paragraph C of Article 28 of Decree No 388 of 2 May 1980, the government hereby declares a state of economic and social emergency throughout the national territory for 1 year, to be effective from the date on which this decree is announced.

Article 2. The government junta will empower, in each case, the pertinent ministries to implement the administrative measures needed to apply this law.

Article 3. According to this law, the following persons commit crimes against the nation's economic and social security and will be punished with prison terms ranging from 1 to 3 years:

- A. Those who promote the coordinated suspension of public or private transportation.
- B. Those who destroy raw materials, agricultural or industrial products, production instruments or infrastructure, thus harming the country's wealth or the consumers, regardless of their penal responsibility for the commission of other crimes.
- C. Those who disseminate false news in order to provoke changes in prices, salaries, (groceries), textiles, merchandise, shares, titles and currency.
- D. Those who carry out acts of sabotage against production centers, markets or stores, in order to obstruct the tasks of production or supply.
- E. Those who promote increases or drops in prices by hoarding any merchandise, products or goods or by using other means of speculation.
- F. Those who incite, help or participate in the initiation or continuation of a strike, stoppage or takeover of work centers.

G. Those who promote or participate in land invasions, going against what is prescribed in the Agrarian Reform Law.

H. Those who incite foreign governments and international credit institutions to carry out actions or make decisions that harm the country's economy.

Article 4. The punishment mentioned in the previous article will be applied through the procedure prescribed in Decree No 5 of 20 July 1979 and its amendments.

Article 5. The exercise of the right established in Article 50 of Decree No 52 of 21 August 1979 is hereby suspended in anything that refers to the enforcement of this law by the pertinent authorities and in what was established in Article 32. Therefore, the right to file a writ for the protection of constitutional guarantees against the administrative actions taken in the application of this law by the authorities mentioned in Article 2 is suspended.

Article 6. This law is public and will become effective today, as soon as it is made public by any means of communications, notwithstanding its subsequent publication in the official gazette.

Issued in Managua on 9 September, 1981, year of defense and production.

Junta of the Government of National Reconstruction, [Signed] Sergio Ramirez Mercado, Daniel Orega Saavedra and Rafael Cordova Rivas.

[Central Bank President Alfredo Cesar Aguirre] The Nicaraguan Central Bank Board of Directors, during its sixth regular meeting in Managua at 0930 on 27 August 1981, considering:

1. The need to establish regulations to control free foreign currency market operations, carried out by various persons who are commonly called coyotes, and to establish mechanisms to allow a rational benefit from foreign currencies proceeding from material and nonmaterial exports; and

2. The need to make the free foreign currency market serve only legal operations,

Therefore, within the scope of its powers, approves the following regulation of purchases and sales of foreign currencies on the free market.

Article 1. All foreign currency income proceeding from material and nonmaterial exports must be negotiated within the national banking system at the official exchange rate, with the exceptions included in this regulation.

Article 2. Foreign currencies obtained from material exports by itinerant traders do not have to be negotiated in the Central Bank, as long as they are habitually dedicated to the business of exports and imports and abide by the following regulations.

A. Itinerant traders must obtain an import/export permit, both issued by the Foreign Trade Ministry. In order to export, they must also obtain a special permit from the ministry for each operation. They do not need a permit for each import.

B. For each export the itinerant trader must present a request at the Nicaragua Central Bank deputy exchange control management, accompanied by their license and the permit mentioned in the previous paragraph. The request will indicate the amount of the export, a description and the volume of the same, unit prices and consignee nation, as well as other data requested in the form supplied by the Central Bank. According to the other requirements of this regulation, the bank will issue the export permit.

Customs will allow the exit of the merchandise once the accuracy of the information included in the export permit and of the authorization issued by the bank has been established. A copy of this authorization will be returned to the bank, certifying the information on the export.

C. Itinerant traders can export or import a maximum of \$1,500 monthly, without exceeding this sum in each import or export operation.

D. Upon entering the country, itinerant traders will present the customs officials an import request on forms that will be supplied and will include the specific information requested on the form. The [word indistinct] will certify the accuracy of the information, allow the entry of the merchandise, except as decreed in other laws or regulations, and will send a certified copy of the request to the bank.

E. The bank will keep an individual registry of the operations undertaken by each itinerant trader, entering exports as debits and imports as credits. At the end of each month, each account will be balanced, and if the balance shows more exports than imports, the itinerant trader, after being notified by the bank, must negotiate at the national banking system an amount of foreign currency equivalent to that balance at the official exchange rate and must send the document to the Nicaragua Central Bank currency exchange.

Article 3. It will not be necessary to negotiate at the national banking system foreign currencies proceeding from the following material and nonmaterial exports.

A. Income from tourist or business trips, except the per diem determined by the Central Bank.

B. Family drafts, defined to include those made among relatives to the 4th degree of consanguinity or the 2d degree of affinity.

C. Donations received by persons or companies if they are equal to, or less than, \$5,000 annually. Donations above this amount must be negotiated within the national banking system. However, if these donations partially or totally finance a project and its implementation involves the import of goods and services, the Central Bank will supply the foreign currencies needed for this purpose at the official exchange rate for an amount not higher than the donation.

D. Funds from abroad for the maintenance of students, as well as to cover the costs of tuition, when they must be paid in foreign currency.

E. Indemnities in cases of life insurance or liability to persons when the insurance rates are paid with monies from the free currency market.

F. Pensions, retirements and similar benefits received from abroad.

Article 4. Embassies, consulates, international missions and representative offices of international organizations registered in Nicaragua must negotiate all of their foreign currency income at the Central Bank at the official exchange rate. Import requirements of goods and services, including salaries of foreign personnel residing in Nicaragua, up to 50 percent, must be paid with official currency supplies by the Central Bank up to an amount not above the foreign currency previously negotiated, once local expenses have been deducted. For these deductions, the missions mentioned in this article must supply the Central Bank a list of their personnel with salaries, details of leased properties, purchase of the same and other local expenses of a similar nature.

The Central Bank administration can, at the request of and with previous justification by any mission mentioned in Paragraph 1, vary the percentage established for salaries, keeping in mind the respective regulations of these missions.

Article 5. Foreign currencies proceeding from nonmaterial exports considered in Article 3 can be negotiated freely only at exchange houses authorized by the Central Bank.

Article 6. The profession of moneychanger can be practiced by natural or legal persons. Natural persons must fulfill the following requirements:

- A. Be a Nicaraguan over 25 years of age.
- B. Be a person of well-known morality and solvency, which must be ascertained by a certificate of good conduct issued by the economic investigations department of the Sandinist Police General Directorate.
- C. Be known to have practiced the profession for at least 3 years prior to the date of this resolution, except in cases specified by the Central Bank.
- D. Be solvent with the nation.
- E. Present a bond to the satisfaction of the Central Bank.

Companies must be incorporated societies and their partners must be Nicaraguan born according to the requirements established in this article.

Article 7. Interested parties must present their request at the Central Bank currency exchange deputy management office, which will do the processing. The Central Bank will issue a resolution within 10 working days following the presentation of the request. Authorizations will be valid for a 1-year period and can be renewed.

Article 8. Authorized moneychangers may conduct business only at the exchange houses whose addresses have been registered with the Central Bank.

Article 9. Moneychangers must register all of their transactions and establish the following in each case:

- A. The name of the buyer or seller of foreign currency, duly identified.
- B. The amount of the operation.
- C. If a draft, check or similar document is the object of the transaction, the number of the draft or check must be indicated, as well as the name of the signer and the number of the account.

When the operation is a purchase of foreign currency, the request must determine the purpose of this purchase. Moneychangers must keep a register of the items mentioned in this article in books authorized and certified by the Central Bank, where they must be presented for this purpose before beginning operations.

Article 10. Moneychangers must report daily, at the Central Bank currency control office, the details of their operations, including the purchase or sale of a draft or check, with a photocopy of both sides of the same. They are also compelled to allow whatever supervision the bank may undertake on its own or aided by another state organization.

Article 11. Before beginning operations, moneychangers must report to the Central Bank their holdings in foreign currency both in the country and abroad, the number of the account and that of the banking institution. These accounts must be used only for authorized operations within this regulation. And they must give the bank, within the first 5 days of every month, a report on the movement of each of these accounts.

Article 12. The Nicaraguan Central Bank administration will be empowered to establish maximum limits to the sales made by moneychangers by each operation and by total operations.

Article 13. The Nicaraguan Central Bank administration will be empowered to establish exchange differentials within the exchange rates for seller and buyer.

Article 14. Moneychangers will not be allowed to purchase drafts issued by the national banking system except with the express authorization of the Central Bank of Nicaragua.

Article 15. It is strictly forbidden to buy and sell foreign currency without the services of an authorized moneychanger and then only within the conditions established by this regulation.

Article 16. Notwithstanding the sanctions established in other laws, the violation of these regulations will be punished according to the terms of Article 7 of Decree 332, law of 9 September 1978, which says:

The violation of this law or the rendering of false information in the request form and documents used as the basis for the purchase and sale of foreign currency will be punished in the following manner: Whoever benefits directly from the violation or rendering of false information will be fined the equivalent of 25 percent of the value of the transaction. Whoever aids or permits the deceit will be fined from 1,000 to 100,000 cordobas. Both fines will be applied by the Central Bank in favor of the nation.

Article 17. Moneychangers violating the conditions of this decree will have their permit cancelled, notwithstanding the fines considered in previous article and other laws.

Transitory Article 18. Starting on this date, it is strictly forbidden for anyone except for the Central Bank to transact the purchase or sale of foreign currency until future announcements, when the permits for the establishment of currency exchange houses mentioned in this regulation have been processed. Persons who are presently working as moneychangers and who wish to continue this activity can do so only by presenting the respective request within the following 15 working days after the promulgation of this regulation.

Article 19. The present regulation will go into effect on 9 September 1981.

Signed by the president of the Central Bank of Nicaragua and the secretary of the Central Bank Board of Directors

LA PRENSA EDITORIAL PRAISES FMLN RECOGNITION

PA092355 Managua LA PRENSA in Spanish 1 Sep 81 p 3

[Pedro Joaquin Chamorro Barrios editorial: "FMLN Recognition Is a Positive Action"]

[Text] The Mexican and French recognition of the FMLN as a political force that must be taken into account in any solution to the Salvadoran crisis is a positive step for the political stabilization of the Central American area.

This recognition should not be interpreted, as some have done, as the French and Mexican governments "taking sides in a matter of Salvadoran domestic policy," but as a true and realistic interest in seeing the conflict solved without violence, through a political solution.

If we had to compare, I would say that this recognition has a certain similarity with the Carter administration's recognition of the FSLN as a political force during the final insurrection, when certain negotiations were being conducted in Costa Rica. Or perhaps it is similar to the recognition that the Group of 12 [a group of exiled Nicaraguans who opposed Somoza and called for national dialogue to include the FSLN] gave the FSLN, saying that it was a true political force that had to play an important role in any solution to the Nicaraguan political crisis. This is a realistic position with which we all agreed and continue to agree.

It is very difficult to take sides in the Salvadoran conflict, because both extremes have committed injustices, derived from the use of terrorist methods to seize and hold political power. These are methods that the FSLN never used in its insurrectional phase and this earned the FSLN both national and international recognition.

However, it is one thing to avoid taking sides in a problem as complex as that of our Salvadoran brothers, respecting their right to self-determination; while it's another to be blind to existing political realities and to make a biased analysis of the situation, which only helps the extremes that seek power regardless of the methods they must use and the well-being of the people, who are already tired of living in a climate of terror and violence.

The Salvadoran people, just like the Nicaraguan people, want peace, work, justice and social well-being; and any measure that helps to find this path and reach these goals must be viewed positively.

The FMLN must see this recognition as an effort by Mexico and France to promote a climate of peace, which can lead to free elections in El Salvador and can give the FMLN opportunity to demonstrate its real force through the vote, which is the civilized and democratic way to iron out political differences.

Of course, the two conflicting sides know that a military solution is impossible and that the cost in blood of that option would be too high for the Salvadoran people. Therefore, the only way left is the democratic and peaceful way, which the Salvadoran Government (with the exception of the most recalcitrant groups of the armed forces), along with the other political groups in the country and certain democratic governments, are now promoting: free elections.

FRENCH FOREIGN RELATIONS DELEGATION VISITS 6-8 SEP

PA042104 Managua Radio Sandino in Spanish 1200 GMT 4 Sep 81

[Text] A delegation from the Foreign Relations Commission of the French National Assembly--including Pierre Guidoni, socialist deputy of Ain Department; Jacques Bauniel, vice president of this commission; and Lauren Klein, National Assembly administrator--will visit Managua from 6 to 8 September.

Visits Supreme Court

PA091815 Managua Radio Sandino in Spanish 0300 GMT 9 Sep 81

[Text] The French deputies who are visiting our country visited the Supreme Court this morning and met with the chief justice, Roberto Arguello Hurtado, and other magistrates. Arguello Hurtado indicated that the deputies asked about the administration of justice in Nicaragua under the revolutionary process. Arguello said that the deputies left quite impressed with the way justice is administered in our free Nicaragua.

Delegation Departs

PA091820 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 Sep 81

[Text] Pierre Guidoni and Jacques Bauniel, members of the French National Assembly, left today for their country. Prior to their departure, the Sandinist newscast recorded the following message offered during a brief news conference.

[Begin recording] [Unidentified interpreter] We must express our gratitude for the warm reception afforded us here in Nicaragua. This visit has allowed us to get a much more realistic impression of the Nicaraguan people and revolution, which we will report to the French National Assembly's Foreign Affairs Committee and, of course, to the French people in general.

We have fulfilled a fraternal mission here between the peoples of France and Nicaragua. We return to France with a truly positive impression of this country; therefore, we believe that our mission has been highly successful. We thank the people of Nicaragua. -
[end recording]

PERSECUTION OF PASTORA'S FRIENDS, FAMILY REPORTED

PA062218 Panama City LA REPUBLICA in Spanish 6 Sep 81 pp 1A, 2B

[Text] Commander "Cero's" brothers, relatives and groups of his close followers have been jailed in Nicaragua, according to reports received in Panama. Other relatives and followers of Commander Cero have managed to escape the relentless persecution unleashed against them by the Sandinist regime, and have found refuge in Mexico, Costa Rica, and some in Panama.

Asylum in Panama

Eden Pastora, one of the main figures of the Sandinist revolution, sought refuge in Panamanian territory on the night of 8 July. He was accompanied by eight comrades in arms, among them Jose Valdivia, the famous Commander "Marvin," who was deputy interior minister in the Nicaraguan Government headed by the junta of National Reconstruction.

Reserve and Silence

Since his arrival in Panama, Commander Eden Pastora and his followers have been looked after by Commander "Hugo," Doctor Hugo Spadafora F., who fought alongside Commander "Cero" in the southern front during the Nicaraguan civil war. It has been impossible to interview Commander Cero, in view of the silence and reserve imposed on the presence of the group of Nicaraguans in Panama. On several occasions press media have reported that Eden Pastora was in Colombia or El Salvador "seeking the smell of gunpowder" as he said when he arrived in Panama. Recently it was said that Eden Pastora was in Lebanon in the Middle East.

Relentless Persecution

An old and close follower of Commander Cero, who had remained in Nicaragua these last few months, arrived in Panama last night with several of Eden Pastora's relatives. He said that "the relentless persecution against Eden Pastora's relatives and friends has been unleashed recently. It is led by Commander Tomas Borge, who is interior minister and the main figure in the junta of the Government of National Reconstruction." The Nicaraguan exile, who demanded complete silence so as not to endanger his relatives still in Nicaragua, said that, "with National Guard Commander Gen Omar Torrijos' death, fierce repression has been unleashed in Nicaragua against those friends and followers of Commander Cero who were still working in the program of National Reconstruction."

Commander Tomas Borge, ideological leader of the Communist Party and the most powerful figure in the junta of the Government of National Reconstruction in Nicaragua, [as published] has ordered the persecution of units within the Sandinist government identified with Eden Pastora. With his silence and resignation Eden Pastora has in practice defied the leftist regime ruling Nicaragua these last 2 years after the war against the Somoza dynasty.

Uncertainty

"We do not know the fate of some of the relatives of our friends because the repressive action was sudden and carried out with military precision." This statement was made by one of the Nicaraguan refugees in Panama, where he has requested political asylum from the persecution of the Nicaraguan Sandinist Government.

Arrests Reported

PA091948 Panama City ACAN in Spanish 1833 GMT 9 Sep 81

[Text] San Jose, 9 Sep (ACAN-EFE)--Relatives and friends of Eden Pastora, Commander Cero, have been arrested and imprisoned in Nicaragua, according to a report published by the evening newspaper LA PRENSA LIBRE of this capital.

The report indicates that Nicaraguan private enterprise businessmen who arrived recently in San Jose, revealed that there is a relentless persecution against "the heroes" who fought alongside Commander Cero in the southern front near the Costa Rican border. They said that the relatives and friends of the Sandinist revolution's legendary Commander Cero, Eden Pastora, have not escaped this persecution, according to the report announced here.

The report reveals that since last Thursday slogans have begun appearing on walls and buildings of Managua saying "Eden Will Return," "Pastora Will Return" and so forth.

The reaction of the armed forces has been, since Friday morning, to arrest people close to Pastora in their own homes. A long list of persons are imprisoned. It is possible that there are many others whose names are not known.

Commander Leonel Poveda Sediles (Comanche), who fought alongside Cero during the struggle against Somoza, is in prison. After the war Poveda was chief of customs at Penas Blancas, general administrator of customs and deputy minister of foreign trade until his arrest.

Mario Aviles Saenz (Commander Federico), another one of the arrestees, was Pastora's lieutenant on the southern front. After the struggle he was successively appointed military chief of the Las Mercedes Airport, director of the Insurance Institute, and commercial chief of the Nicaraguan Fishing Institute. He held this last post at the time of his arrest. All of this information is from the evening newspaper PRENSA LIBRE's report.

Another prominent person arrested is Hector Sanchez Arguello, son-in-law of Leonte Herdocia. Leonte Herdocia heads the Nicaraguan Human Rights Commission. Sanchez Arguello was deputy commander of the southern front, where he was seriously wounded in a clash with Somoza's National Guard. Sanchez Arguello was a high-level official of the agrarian reform at the time of his arrest.

Adolfo Chamorro Cesar, deputy commander of transportation of the southern front during the insurrection, was arrested on Friday. He is a brother-in-law of Sandinist Commander Richard Lugo, who is currently in Libya, the LA PRENSA LIBRE report adds.

According to the information available, two brothers-in-law of Eden Pastora were also arrested during Friday's raid. Their names are Emilio and Raymundo Torres. They fought as heads of columns in the southern front.

Other men who fought beside Pastora have been imprisoned: Carlos Abaunza Cabezas, Alfredo Mendieta, Secundino Chavez, Julio Ramirez, Vicente Godoy and Mauricio Castillo, who was security commander of the southern front.

PRENSA LIBRE does not identify its sources, "for obvious reasons."

Ex-Official Seeks Asylum

PA082034 Managua Radio Sandino in Spanish 1800 GMT 8 Sep 81

[Text] The Nicaraguan Foreign Ministry confirmed that Nicaraguan citizen (Eduardo Sanchez Renasco) requested political asylum at the Venezuelan Embassy in Managua. (Sanchez Renasco), formerly director of the Technical Aeronautical Institute, is accompanied by his wife, Maribel Gallegos, and his 11-month-old daughter. According to (Sanchez Renasco), his request for asylum is based on the fact that there is a warrant for his arrest on charges of being involved in counterrevolutionary activities with a group recently arrested by the State Security Directorate.

COMMUNIQUE ISSUED AT MEETING ON U.S. AID PROPOSAL

FL071717 Bridgetown CANA in English 1627 GMT 7 Sep 81

[Text of communique issued at end of 4-5 September meeting in Kingston, Jamaica, of Caribbean Community (CARICOM) foreign ministers called to discuss U.S. proposal for a new aid plan to the Caribbean]

[Text] Kingston, Jamaica, 7 Sep (CANA)--The CARICOM foreign ministers in a 2-day meeting under the chairmanship of the Rt Hon Hugh Shearer, deputy prime minister and minister of foreign affairs of Jamaica, reached agreement on the principles, guidelines and elements which will form the terms of reference for a CARICOM technical group which is to prepare a detailed plan for a Caribbean basin proposal.

The ministers of foreign affairs of the Caribbean Community met in extraordinary session in Kingston, Jamaica 4-5 September. The meeting was characterized by attendance at a high level. Representing Barbados was his excellency Charles Skeete, ambassador to the United States of America, Dominica by the Hon Eugenia Charles, prime minister, Grenada by Hon Unison Whiteman, minister of foreign affairs, Guyana by Cde Rashleigh Jackson, minister of foreign affairs, Jamaica [by] the Rt Hon Hugh Shearer, St Lucia [by] his excellency Dr Barry Auguste, the United States of America [as received] and Trinidad and Tobago [by] his excellency Basil Pitt, ambassador extraordinary and plenipotentiary. Attending were: Hon Lester Bird, deputy premier and minister of external affairs, Antigua, and Hon George Price, premier of Belize. The Caribbean Development Bank (CDB) was invited to attend in the capacity as adviser to the meeting.

Opening statements were made by Dr Kurleigh King, secretary-general of the Caribbean Community, Hon Unison Whiteman, minister of foreign affairs of Grenada and current chairman of the standing committee, Rt Hon Edward Seaga, prime minister of Jamaica, Cde Rashleigh Jackson, minister of foreign affairs of Guyana on behalf of the MDC's (more developed countries) and the Hon Lester Bird, deputy premier and minister of external affairs, Antigua, on behalf of the LDC's (less developed countries).

At the initiative of the Government of Jamaica, the extraordinary session was convened to discuss, among other matters, Caribbean basin proposal which has emerged from ideas elaborated by the prime minister of Jamaica and from subsequent discussions held by the foreign ministers of Canada, Mexico, the U.S.A. and Venezuela, in the Bahamas. The ministers had the benefit of the recommendations of the CARICOM finance ministers who had considered the proposal as the main item of the agenda of their sixth meeting held at the same venue 2-3 September. They also had a working document: the keynote address made by the Hon E. Seaga at the opening ceremony. The CARICOM foreign ministers discussed an action plan for the proposal and outlined the principles and guidelines which should be the basis of any program of economic cooperation within the Caribbean Community and also identified the specific elements of the action plan.

These principles, guidelines and elements will form the terms of reference for a CARICOM technical group which is to prepare a detailed plan for a Caribbean [words missing]. The recommendations of this group will be considered by the foreign ministers. The ministers were of the view that it was necessary first to coordinate their own position, then seek to coordinate positions with all other countries in the wider Caribbean and thereafter develop a Caribbean-Central American position. The ministers considered that in order to effect such coordination they would meet with their counterparts. The conference will continue on Monday, 7 September, when CARICOM ministers will be joined by the ministers of foreign affairs of Haiti, Dominican Republic and Suriname. The ministers were briefed on the current proposal for the international meeting on cooperation and development (the Cancun summit) and exchanged views on the proposed framework for discussion.

The ministers discussed the forthcoming commonwealth prime ministers conference to be held in Melbourne, Australia, during September/October, 1981. They agreed to maintain close contact on the matters to be discussed at the conference.

BARBADOSPRIME MINISTER ADAMS ANNOUNCES ECONOMIC MEASURES

FLO90551 Bridgetown CANA in English 2330 GMT 8 Sep 81

[By Bertram Miles]

[Text] Bridgetown, Barbados, 8 Sep (CANA)--Barbados Prime Minister Tom Adams today announced increases in bus fares, a further tightening on commercial and consumer credit, new salary-based levies to support a national health service scheme and financially plagued bus service, and steep rises in fees on minibuses and taxis as part of measures to check the island's economic decline. Mr Adams, who is minister of finance, was speaking in parliament as he delivered a 35-minute statement on the state of the economy, nearly 3 months after his Barbados Labor Party (BLP) was returned to office on a platform of good economic management.

Mr Adams said that after 4 years of rapid expansion, the economy was experiencing strong recessionary pressures and a projected 1981-82 fiscal deficit of 187 million Bds dollars (one Bds dollar--50 cents U.S.) was intolerable. He attributed the downturn to a worsening of the international market conditions and the effects of "extraordinarily wet weather" on agriculture that in combination brought a fall in rate of growth of output and a deterioration in the island's balance of payments position and public finances.

The one-stage bus fare will rise 33 per cent from 45 cents to 60 cents with school children paying 4- cents or increased rates for their special subsidized tickets on school days. [Words indistinct] of initiative to improve a worsening, financial situation at the state-run transport board. The board was projected to lose 16 million dollars this year, despite a state subsidy that was likely to reach 17 million from the previous 500 dollars, with renewal fees moving from 50 dollars to 750 dollars.

What the prime minister described as the first of the national health service charges is a levy of 1 percent to be shared equally between employers and employees from 5 October. A package of social security changes, Mr Adams said will be announced in due course, and will include a substantial increase in national insurance coverage and increases in all old-age pensions. The means test to determine eligibility for old-age pensions will be abolished from next 4 January.

Under moves to improve balance of payments the foreign exchange quota for motor vehicle imports for 1982 will be reduced from the 1981 figure of 25 million dollars to 15 million dollars. The payments position plummeted because of a decline in exports for the first half of the year. Domestic exports to the end of April have been only 6.1 percent higher than a year ago and total exports for 1981 are expected to rise only to 377 million dollars. [Some] (?10) percent greater than the 1980 figure of 337 million dollars.

Imports are growing faster than exports, the prime minister said, with Barbados external reserves falling by 15.3 million dollars between December 1980 and June 1981. On the basis of these trends, it is projected that the overseas current account payments balance for 1981 will be minus 173 million dollars as compared to minus 55 million dollars in 1980. Mr Adams said the transport proposals would reduce the projected deficit and subsidy; but to substantially improve the "weak underlying position of both public transport and of the highways," he announced the creation of a new board to oversee public transport and highway improvement. The board will be funded by a levy on the pay packets of persons in amount of 1 percent of their insurable earnings for national insurance purposes. The insurable wage bill of employers is to be levied by .25 percent. Employees and employers begin paying the levy from 5 October.

Consequent on the increase in bus fares, Mr Adams announced rises of as much as 700 percent in permit fees for privately-run minibuses, which do a thriving trade here cutting deeply into the revenue of the state-owned bus service. From a previous initial permit fee of 1,000 dollars and renewal fee of 250 dollars, the 200-odd minibuses will now have to pay 5,000 dollars and 1,500 dollars respectively (for owner-operated vehicles) and 7,500 dollars and 2,500 dollars (other than owner operated). Taxis other than owner-operated and carrying more than five persons have had their initial permit fees raised to 2,500 dollars.

In addition to the decrease in the car imports quota, consumer and commercial credit will be tightened with increases in the down payments required in hire-purchase contracts for motor cars, motorcycles and stereo equipment, cameras, jewelry and similar equipment. The repayment period has also been cut. The downpayment for motor cars valued between 13,501 and 20,000 dollars is now 50 percent, motorcycles 33 1/2 percent, stereo equipment (not previously under credit regulations) 50 percent as is jewelry and watches. The repayment period ranges from 6 months to 24 months.

Cars valued at more than 30,000 dollars must be paid for in cash, Mr Adams said.

Mr Adams said that the "spectacular appreciation" of the U.S. dollar, to which the Barbados currency is tied, should see a substantial fall in the price of most of the items under credit restriction and the new regulations take account of this. The prime minister also gave a step-by-step overview of the performance of the productive sectors of the economy, all of which with the exception of construction have been badly affected by adverse conditions. A decline of gross domestic product of 1 percent in 1981 is forecast.

In sugar, the prime minister said receipts will drop 43 million dollars this year to 78 million dollars, because of a 25 percent drop in output and a fall in world sugar prices.

Total output and exports of manufactured goods for the first 6 months of 1981 have been 5 percent less than in the corresponding period of 1980. But clothing and electronic equipment have been on the rise and the prime minister said a second half upswing in manufacturing has been reflected in a projected par performance with last year.

Tourism, Barbados' main money-earner, Mr Adams said, has provided his government with the "greatest cause for concern". Tourist arrivals during January to July have been 5 percent less than 1980, while tourist spending is only up in nominal terms, he added. The tourism trend, he said, is not likely to be significantly arrested before the 1982-83. Local energy production too has declined as drilling emphasis shifted to keep wells with the hope of finding greater quantities of oil.

With the present construction boom, Mr Adams said that the economy could not accommodate any substantial increase in construction activity. This, he said, would only aggravate the acute skills shortage situation and cost overrun problems. A decision has already been made to reschedule government building projects.

The minister of finance reported a July (?1981) annualized inflation of 1 percent and said wages were still rising considerably faster than prices. Mr Adams said the fact that the unfavourable economic conditions did not do more damage to the Barbados economy could be due to its resilience, the hard work of Barbadians and their readiness to "accept methods of modern economic management which have been the envy of the Caribbean and of the wider world."

"I have no doubt that this support will continue to be forthcoming and that Barbados will overcome these temporary difficulties as triumphantly as we overcame in the years following 1976," the prime minister said.

Opposition Raps Measures

FL091840 Bridgetown CANA in English 1550 GMT 9 Sep 81

[Excerpts] Bridgetown, Barbados, 9 Sep (CANA)--The opposition Labor Party (DLP) has come out strongly against measures announced yesterday by government to halt a decline in the economy. Opposition spokesman on finance Dr Richie Haynes said the proposals to restrain public expenditure and raise revenue were "panic measures...and when seen in the context of already existing curbs are more likely to cause long lasting damage to economy."

Dr Haynes said: "This government must understand that economic progress in Barbados cannot be achieved merely by indiscriminate borrowing and window-dressing but by paying detailed attention to productivity in the various sectors of the economy. He added that most of the major productive sectors of the economy, including agriculture, tourism and manufacturing, the islands balance of payments position, "a chaotic energy policy", unemployment, inflation and inadequate levels of wages "must be matters of concern to all right thinking Barbadians."

GOVERNMENT SUPPORTS BELIZE INDEPENDENCE

FLO82050 Bridgetown ADVOCATE-NEWS in English 2 Sep 81, p 2

[Text] The Government of Barbados has welcomed the announcement by the United Kingdom that Belize will attain independence on 21 September. This will bring to an end 18 months of negotiations for a full settlement of the dispute between Guatemala and the United Kingdom and Belize arising out of a claim by Guatemala.

The Ministry of External Affairs noted that the United Kingdom, Belize and Guatemala have been unable to reach a final settlement at this time. However, the ministry added that Barbados is encouraged that the negotiations took place in an atmosphere of harmony and that the three governments have agreed to continue to seek ways in which their relations can be improved.

"They have indeed identified areas of cooperation in energy, agriculture and other important fields," the minister said in a statement Monday. The statement added: "Barbados has been a longstanding and tireless supporter of Belize's efforts for independence with full territorial integrity and has supported Belize's case in all international forums. Barbados therefore looks forward to welcoming Belize as a full member of the United Nations and the Commonwealth and hopes that a final and honorable solution to the dispute can be reached in the near future."

GRENADABISHOP ADDRESSES RALLY ENDING MANEUVERS

FLO21354 Havana Domestic Service in Spanish 1100 GMT 2 Sep 81

[Text] Thousands of Grenadians took part in a military maneuver which concluded this weekend as part of the national efforts to respond to U.S. plans of aggression against Grenada.

Closing the exercises, Prime Minister Maurice Bishop asserted that each military practice improves discipline and reaffirms the conviction that if the United States attacks Grenada very few of its men will come out alive. Bishop spoke at a heavily-attended rally ending the heroes of the fatherland maneuvers which were held in the islands of Grenada, Carriacou and Petit Martinique for several days.

The Grenadian leader's words were roundly cheered by battalions from the police, army and militias, which include young people, farmers, workers and housewives.

BISHOP SAYS U.S. IS THREAT TO NONALIGNED

FLO71750 Bridgetown CANA in English 0516 GMT 5 Sep 81

[By George Worme]

[Text] St Georges, Grenada, 5 Sep (CANA)--Grenada Prime Minister Maurice Bishop has said that the Nonaligned Movement faces a severe threat from the United States. He told a rally in solidarity with Vietnam and Libya that ruling circles in the U.S. were viewing the movement as "a mortal enemy" and were branding members of the organization such as Libya and Vietnam as being "international terrorists and enemies of so-called democracy."

But Mr Bishop described the 96-nation movement of Third World nations as an international organization aimed at achieving peace in the international community. He said that since his People's Revolutionary Government (PRG) came to power through a coup, Grenada has been receiving much assistance from a number of countries belonging to the Nonaligned Movement. He noted that Libya, Iraq and Cuba were helping Grenada in the construction of an international airport in the south of the island.

Mr Bishop said that the Nonaligned Movement came to the assistance of Grenada last April when the United States attempted to block donor countries from attending a conference in Brussels to consider financial assistance for the airport project. He said that the formation of the movement in 1969 could not come at a better time than it did "when several colonized countries around the world were beginning to gain their independence."

"One of the original aims of the founders of the Nonaligned Movement was to ensure that independence which these countries had fought for could be preserved. One of the intentions of the founders of the Nonaligned Movement was to ensure too that more and more countries would be able to move forward and achieve their own independence," he said.

Bishop said that it must be remembered at all times that the Nonaligned Movement was also founded at a time when there was great tension in the world. Against this backdrop, he charged that one of the major concerns of the movement was to join other progressive forces around the world to raise their voices in the struggle for peace, and end to the arms race, disarmament and peaceful coexistence around the world."

"The Nonaligned Movement there was founded on the universal and historic principles of anticolonialism, anti-neocolonialism, antiracism, anti-Zionism and more fundamentally anti-imperialism. Today, there can be no doubt about it at all that the Nonaligned Movement does act as leader of the aspirations [words indistinct]."

VITAL SECTOR SERIOUSLY HARMED BY STORM

FL071717 Bridgetown CANA in English 2038 GMT 5 Sep 81

[By George Worme]

[Text] St Georges, Grenada, 5 Sep (CANA)--Grenada's vital agricultural sector suffered almost 1.2 million dollars (1 EC dollar: 37 cents U.S.) in damages from last month's storm, Agriculture Minister George Louison said.

Mr Louison said the country's three main agricultural export crops: banana, cocoa and nutmeg, were severely affected by the storm. He estimated that the banana industry, which accounts for 19 percent of the country's exports, suffered almost 1 million dollars in losses.

Mr Louison said that the island lost 1,400 tons of bananas. Exports of the crop over the next 4 months are expected to drop by about 800 tons. In addition, he said, projections are that the industry would lose another 600 tons of bananas between January and April next year because of the heavy rains.

Mr Louison said that the loss in the vital cocoa industry, which makes up 48 percent of Grenada's exports, was nearly 20,000 dollars. However, he added that the nutmeg industry, which accounts for 22 percent of the island's exports, received minimal damages.

Mr Louison announced that the Grenada Government was working on an emergency plan to combat the losses suffered in the agricultural sector. He said Grenada intended to seek emergency aid from international organizations in an effort to restore the agriculture sector.

Grenada, an island of 133 square miles, has a population of 114,000.

BISHOP SENDS MESSAGE OF SUPPORT TO DPRK

FL092357 St Georges Domestic Service in English 2300 GMT 9 Sep 81

[Excerpt] Today marked the 33d anniversary of the proclamation of the democratic people of Korea [as heard] and a message has been sent to that country's president, Kim Il-song, by Grenada's foreign minister, brother Maurice Bishop. The message from Prime Minister Bishop to President Kim Il-song expressed Grenada's full support for the Korean people in their struggle against imperialist aggression and for their continuing efforts towards the reunification of Korea despite imperialist intrigue.

Prime Minister Bishop's message expressed the wish that the friendly relations between Grenada and the People's Democratic Republic of Korea [as heard] will develop to the benefit of the two peoples.

JAMAICASEAGA BLAMES UNEMPLOYMENT FOR ECONOMIC WOES

FLO42358 Bridgetown CANA in English 2313 GMT 4 Sep 81

[Text] Kingston, Jamaica, 4 Sep (CANA)--Jamaica today suggested that the private sector be given the major role of stimulating Caribbean economic development under a proposed new U.S.-sponsored aid scheme for the area. Prime Minister Edward Seaga put the Jamaica concept of how the so-called Caribbean basin aid plan should operate, when he addressed the start of a meeting of Caribbean Community (CARICOM) foreign ministers.

Mr Seaga told the delegates, including Belize's Premier George Price and Dominica's Prime Minister Eugenia Charles, that the greatest problem facing the region was unemployment, with 15 percent of its peoples out of work. If the region was to reduce its unemployment to 5 percent (the figure for the industrialized countries), Mr Seaga said there would be need for 6 billion dollars (U.S.) in capital investment. Maintaining unemployment at the 15 percent level would require investments of 1.8 billion dollars (U.S.) a year or "a staggering 25 per cent of GNP (Gross National Product)," he said. But the prime minister said that this kind of investment could not be mobilized in the Caribbean, which meant that external resources would have to be mobilized to supplement domestic investment.

He noted that the investment channel which largely preoccupied governments was official transfers, but added that while aid flows to the public sector were essential and must be increased they were "comparatively small in relation to the size of the investment package needed to create meaningful growth." But Mr Seaga added: "Aid flows alone cannot generate the increments we seek for development and growth. At best, official flows must be considered essential to create the primary infrastructure required to attract and generate productive secondary investment.

"In Caribbean economies for the great part, the dynamic sector which produces most of the real growth is the private sector, not the public sector," the Jamaica minister of finance said. A Caribbean policy, therefore, Mr Seaga argued, must move beyond the question of aid flows only, "to examine how to induce greater private investment inflows and in a manner sensitive to national needs and feelings." The Jamaican leader said that the transfer of resources via the private [sector] could include financial investment and trade mechanisms.

He pointed out that institutions such as the United States Overseas Private Investment Corporation (OPIC) and the Export-Import Bank were ready there as intermediaries for the expansion of credit and could make a difference in the quantum of investment. They had only to expand their scope for specific treatment of the Caribbean. But noted Mr Seaga: "None of the adjustments in trade and fiscal mechanisms, however, will have any real meaning unless we acclimatize our own economies to effect strategies conducive to induce capital and convert it productive gain. A hospitable environment is the basic condition which any capital importing country must supply."

The foreign ministers meeting follows a similar 2-day session here this week by CARICOM's finance ministers. All the meetings are aimed at coordinating a CARICOM position on the U.S.-sponsored scheme, which has already attracted commitments from Venezuela, Canada and Mexico. The CARICOM foreign ministers will meet Monday with their counterparts from the wider Caribbean, including Haiti, the Dominican Republic and the Netherland Antilles.

ST KITTSSIMMONDS SEES NO THREAT IN U.S. MANEUVERS

FLO71735 Bridgetown CANA in English 2110 GMT 5 Sep 81

[Text] Basseterre, St Kitts, 5 Sep (CANA)--St Kitts/Nevis Premier Dr Kennedy Simmonds said today he did not consider recent U.S. military maneuvers in the Caribbean to be a threat to any particular state. "At the moment I regard them as military maneuvers and nothing else," Dr Simmonds said. Grenada's leftist government has stated that the military exercises on the island of Vieques, off Puerto Rico, were part of a buildup to invading Grenada. The United States has denied the allegations.